

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

[Florence, South Carolina]

HEARING # 19-11758

APRIL 1, 2019

6:00 P.M.

DOCKET NO. 2018-318-E:

Duke Energy Progress, LLC - Application for Adjustments in Electric
Rate Schedules and Tariffs, and Request for an Accounting OrderTRANSCRIPT OF TESTIMONY
AND PROCEEDINGS

VOLUME 1 OF 8

HEARING BEFORE: Comer H. 'Randy' RANDALL, *Chairman*; Justin
T. WILLIAMS, *Vice Chairman*; and COMMISSIONERS John E.
'Butch' HOWARD, Florence P. BELSER, Thomas J. 'Tom' ERVIN,
Swain E. WHITFIELD, and G. O'Neal HAMILTON

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Patricia Stephens and Rob Bockman, Clerk's Staff; Jo Elizabeth M.
Wheat, CVR-CM/M-GNSC, Court Reporter.

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SOUTH CAROLINA COASTAL CONSERVATION LEAGUE, UPSTATE
FOREVER, and SOUTH CAROLINA STATE CONFERENCE OF THE
NAACP, **INTERVENORS**

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

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NANETTE EDWARDS, ESQUIRE, representing the **SOUTH CAROLINA OFFICE OF REGULATORY STAFF**

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P R O C E E D I N G S

CHAIRMAN RANDALL: Good evening, ladies and gentlemen. I want to welcome everyone here to this hearing or meeting, tonight. We're certainly glad we got such a big turnout. We're here for you. We want to hear what you've got to say.

And so, we're going to get some instructions in just a few minutes, but before we do that, I want to make sure you know the members of the Public Service Commission who are here. To my far right, Vice Chairman Justin Williams from District 6, Commissioner Tom Ervin from District 4, Commissioner Swain Whitfield from District 5. From my far left, Commissioner Butch Howard from District 1, Commissioner O'Neal Hamilton from District 7, Commissioner Flo Belser from District 2, our attorney, Josh Minges, and my name is Randy Randall and I represent District 3.

Before we go any further, I want to take appearances from the parties. So, Duke?

MS. SMITH: My name is Heather Shirley Smith. I'm counsel for Duke Energy Progress. And if it pleases the Commission, with us tonight we have our President, Kodwo Ghartey-Tagoe, who wanted to be sure to be here. And if there are any questions

1 that come up that the company may need to answer of
2 customers, this gentleman in the white "Duke
3 Energy" shirt, his name is Marcus Preston, and he
4 has a team of Duke experts that deal with a variety
5 of topics, should the need arise.

6 **CHAIRMAN RANDALL:** Thank you. ORS?

7 **MS. EDWARDS:** For the South Carolina Office of
8 Regulatory Staff, Nanette Edwards, Executive
9 Director. And with me tonight is Alex Knowles,
10 staff attorney.

11 And are you going to give us an opportunity
12 for a few remarks?

13 **CHAIRMAN RANDALL:** Why don't we do that now?

14 **MS. EDWARDS:** Okay.

15 Did you want to go first, or – as the
16 Applicant?

17 **CHAIRMAN RANDALL:** Well, we've got some other
18 parties that want to be recognized right now.

19 **MS. EDWARDS:** Okay, sorry.

20 **MR. BOWEN:** Mr. Chairman, members of the
21 Commission, my name is John Bowen. I'm with the
22 law firm of Burr Forman McNair. That was a change
23 as of the first of this year, so I'm still getting
24 tongue-tied with respect to that. I'm used to
25 McNair, as y'all know. Along with me is Peg Fox

1 and Brad Wright. We represent Farm Bureau. There
2 are going to be a number of Farm Bureau folks here
3 tonight, who are going to testify and talk to you
4 about economic problems they have, and all the
5 other various things. And we appreciate very much
6 your attention to their plight, and we appreciate
7 you listening.

8 **CHAIRMAN RANDALL:** Thank you. Thank you.
9 Okay.

10 **MS. EDWARDS:** Did you want to address the
11 stipulation first?

12 **MS. SMITH:** Okay. You –

13 **CHAIRMAN RANDALL:** Go ahead. I think –

14 **MS. SMITH:** Feel free to –

15 **CHAIRMAN RANDALL:** – that's one of the
16 questions, about that.

17 **MS. SMITH:** I'm happy to follow.

18 **CHAIRMAN RANDALL:** And I want to make sure,
19 when you speak, everybody be close to the
20 microphone and speak into it. I know we don't have
21 it up here for our attorneys.

22 **MS. EDWARDS:** Thank you, and I will speak
23 louder throughout the hearing. I'm a bit used –
24 I'm a bit soft-spoken. And I apologize for turning
25 this way. I hope I'm not offending anybody, but I

1 wanted to be able to address everyone.

2 **VOICE:** We can't hear nothing in there at all.
3 Absolutely nothing.

4 **CHAIRMAN RANDALL:** Okay. So I don't know what
5 we can do about that. That's really not in the
6 hearing room, so – okay, we're going to check that
7 real quick before we continue. Okay.

8 [WHEREUPON, discussion was had off the
9 record]

10 We think we're about to get the situation
11 straightened out, so folks can hear in the other
12 room.

13 [Brief pause]

14 Okay, Ms. Edwards. I think we're ready to
15 move ahead.

16 **MS. EDWARDS:** Thank you, Mr. Chairman. Does
17 that work? You can hear me? Okay.

18 First off, let me start by introducing myself.
19 I'm Nanette Edwards, and I'm the Executive Director
20 of the South Carolina Office of Regulatory Staff.

21 I mentioned before I have Alex Knowles, who is
22 a staff attorney, here with me tonight. The lady
23 in the pink jacket, far, far in the back, who is
24 waving, that's Dawn Hipp; she's over all our
25 program areas. She's basically like our Chief

1 Operating Officer. She's here tonight, as well as
2 two members from our Consumer Services Department.
3 These are people that take calls, complaints,
4 regarding utility services. I have Brad Kirby and
5 Takisha Waller here tonight. If you have questions
6 either during or after the hearing, we'd be pleased
7 to answer any questions that you have, to the
8 extent we can.

9 So, who is the Office of Regulatory Staff?
10 Well, we represent the public interest. We
11 represent you, the customers. And so, I'm here
12 tonight – we're a separate State agency from the
13 Commission. We're a party, just like any other
14 party, before the Commission, and we make
15 recommendations.

16 So, with regard to recommendations in this
17 rate case, I wanted to take a moment and go through
18 some of the major areas of disagreement.

19 First, for example, coal ash: The company is
20 seeking rate coverage for coal ash removal cost.
21 Our position, in a nutshell, is that anything that
22 is above and beyond what South Carolina or federal
23 law requires – if North Carolina passed a law,
24 which we believe they did, that causes increasing
25 costs for our South Carolina customers, we don't

1 believe that South Carolina customers should pay
2 for something that they didn't get a chance to vote
3 on. Kind of the no-taxation-without-representation
4 line.

5 What is that dollar value? Well, that dollar-
6 value difference between our position and the
7 company's is about \$11.6 million annually. The
8 company had requested about \$12.7 million on an
9 annual basis.

10 The second item is return on equity or, you
11 know, more commonly called profit. The company is
12 seeking an ROE of 10.5 percent. ORS is
13 recommending 9.3 percent. The dollar difference on
14 an annualized basis is about \$12½ million.

15 And third and last is compensation. There
16 is – as one of the contested issues in this case,
17 ORS removed about \$3.9_[sic] million of the \$3.2_[sic]
18 million requested by the company in compensation
19 incentive programs. We believe that they're tied
20 to corporate earnings and not necessarily solely
21 tied to employee performance or customer service.

22 But this hearing tonight is for you, the
23 customers. It is your opportunity to tell the
24 Commission how you feel and what the impact of this
25 rate application would have on you in your daily

1 life. The Commission will take the information
2 that you provide to them very seriously, and it
3 will – this is testimony; you are going to be sworn
4 in and put under oath. And so this will be
5 testimony that goes into the record of evidence of
6 the case.

7 I mentioned to you earlier that the Office of
8 Regulatory Staff – we take customer complaints,
9 billing errors, service issues. Again, if there is
10 an opportunity and you come up to the podium and
11 you have an issue that you've been trying to get
12 resolved, clearly the company is here. And Ms.
13 Smith has already mentioned that they are here to
14 speak with you, as well. But if you don't get
15 resolution, you are welcome to come see us. We're
16 just outside the door.

17 Lastly, I would just mention that if – it is a
18 fairly packed room tonight, so I'm going to give
19 you our toll-free number. If you want to get home
20 and you don't want to take the time – you know, we
21 take calls. It's 1-800-922-1531. That's 1-800-
22 922-1531. And please do give us a call. We also
23 have business cards to hand out, outside. So if
24 tonight is just too much and you want to get home,
25 the kids need to be put to bed, please don't

1 hesitate to call us anytime during the week. We'll
2 be happy to take your call and resolve your issue
3 at that time.

4 Finally, thank you for your attention and your
5 participation.

6 **CHAIRMAN RANDALL:** Thank you, Ms. Edwards.

7 Okay. I'm going to turn now – we've got
8 several sets of instructions – oh, okay. Sorry.
9 Go for it.

10 **MS. SMITH:** No worries. Hopefully you folks
11 can hear me.

12 **CHAIRMAN RANDALL:** Get closer and talk right
13 into that mic.

14 **MS. SMITH:** Like this [indicating]?

15 **CHAIRMAN RANDALL:** Yeah.

16 **MS. SMITH:** Okay. We appreciate being here.
17 We appreciate the Commission being here. It's the
18 Commission's hearing, of course. Our primary role,
19 other than answering questions from Mr. Preston, is
20 to make sure that we listen and take into account
21 everything that is said tonight. As I mentioned,
22 our President is here. Our leaders are paying a
23 lot of attention to these public hearings. And we
24 really want to hear what you have to say and take
25 that into account in our plans and our requests.

1 **CHAIRMAN RANDALL:** Thank you.

2 All right. I'm going to turn – as I was
3 saying a minute ago, we've got a lot of
4 instructions. I'm going to give it to our
5 attorney, Mr. Josh Minges, first.

6 **MR. MINGES:** Thank you, Mr. Chairman.

7 Good evening, folks. Please silence your
8 phones. Also, please make sure you've signed in at
9 the back, if you'd like to speak this evening.

10 In a moment, Commission Staff Member Rob
11 Bockman will call the names of those who've signed
12 up to speak to come forward and be sworn in.

13 Please give your name and state where you're
14 from, and then proceed with your testimony. After
15 you're done, please remain at the podium for any
16 questions that the Commissioners or the parties
17 might have.

18 I'd like everyone to note that the
19 Commissioners are unable to answer questions due to
20 the judicial nature of this hearing. Duke and ORS,
21 like they've mentioned, will be here after the
22 hearing, or I guess even during the hearing, for
23 any questions that you might have.

24 There's another public hearing tomorrow night
25 in Sumter, but it's our policy you only speak at

1 one public hearing. And the hearing where Duke
2 will present its case begins on April 11th at the
3 Commission's hearing room in Columbia.

4 Thank you, Mr. Chairman.

5 **CHAIRMAN RANDALL:** Thank you.

6 Now I'm going to ask – turn it over to Mr. Rob
7 Bockman. You may hear some of the instructions
8 over again, but it never hurts to say it a couple
9 of times.

10 So, Mr. Bockman.

11 **MR. BOCKMAN:** Thank you.

12 Good evening, and welcome to tonight's public
13 hearing for Docket No. 2018-318-E, concerning Duke
14 Energy Progress' Application for a rate increase.

15 You just heard a brief overview of the process
16 tonight from Josh Minges, who is counsel for the
17 Commission. The seven people seated with him in
18 front of you tonight are the Commissioners of the
19 Public Service Commission, who were elected by the
20 South Carolina General Assembly to represent the
21 public interest and serve as a deliberative body
22 charged with regulating our State's public
23 utilities and adjudicating conflicts that arise
24 between individuals, organizations, and utility
25 providers.

1 These seven Commissioners are here in a
2 judicial capacity and, per the Code of Judicial
3 Conduct, will not be able to answer questions about
4 ongoing cases, including this one. We ask that you
5 do keep that in mind and keep your comments to just
6 that – comments – as questions will go unanswered
7 by the Commissioners tonight.

8 The Office of Regulatory Staff and Duke Energy
9 Progress have representatives here tonight, and
10 they are willing and able to answer your questions.
11 ORS, as you heard, is home to a consumer advocacy
12 department, and I do want to underline that they
13 are here to advocate for you, the ratepayer.
14 Complaints can be made to ORS, who will investigate
15 them fully. You have the right to receive the
16 services you pay for, and the Commission and ORS
17 were created to secure that right and support a
18 strong utility economy. We remain committed to
19 that principle.

20 Since Josh Minges gave you a brief overview of
21 the process tonight, I won't belabor that, but I
22 will ask you to silence your cell phones and ask
23 that when you hear me call your name, which will be
24 momentarily, please be ready to deliver your
25 testimony. I'll be calling your name in the order

1 in which you signed up outside, so when you hear
2 your name, please approach the podium to be sworn
3 in. You will then state your name and your city of
4 residence clearly and speak directly into the
5 microphone, and then proceed with your testimony.

6 Because of the number of people signed up
7 tonight and because we want to hear from every
8 single one of you, testimony is strictly limited to
9 three minutes. After three minutes, you'll hear a
10 beep from our timer up here, which will signal that
11 your time has ended. Commissioners may also have
12 follow-up questions for you, so after you're done
13 speaking, please don't leave the podium just yet.

14 And there will be another hearing tomorrow
15 evening in Sumter, so if you do not have a chance
16 to speak tonight, please consider attending that.
17 But also please keep in mind that you may only
18 speak at one of these night hearings.

19 Finally, we encourage you to follow us on
20 Facebook at Public Service Commission of South
21 Carolina and on Twitter @PSCofSC to learn more
22 about the PSC's operation. In addition, our SC
23 Utility Consumer platform is designed to interact
24 with the public directly. We encourage you to
25 follow us on Twitter @UtilityConsumer and on

1 Facebook at SC Utility Consumer.

2 We do have this listed on a little sheet
3 outside, if you want to grab one of those postcards
4 on your way out.

5 I would also note here that each Commission
6 Business Meeting and Commission hearing, including
7 the hearing beginning on April 11th related to this
8 case, they're all livestreamed online. And you can
9 find that link on our website at www.psc.sc.gov.
10 Again, that's www.psc.sc.gov.

11 Thank you very much, again, for your
12 attendance at this meeting. By attending, whether
13 you have chosen to speak or not, you demonstrate
14 your dedication to our State and to our shared
15 utility system. Everyone in this room has a stake
16 in this proceeding, and we appreciate you taking
17 the time to meet with us tonight. Thank you.

18 **CHAIRMAN RANDALL:** Thank you, Mr. Bockman.

19 Before we get started, I know – I wanted to
20 welcome Agricultural Commissioner Hugh Weathers
21 tonight. Would you like to say anything before we
22 get going, Commissioner?

23 **COMMISSIONER WEATHERS:** I've signed up to
24 speak, so...

25 **CHAIRMAN RANDALL:** Okay. Well, let you go

1 first, if you want to.

2 [Witness affirmed]

3 THEREUPON came,

4 H O N O R A B L E H U G H E . W E A T H E R S ,
5 who, having been first duly affirmed, testified as follows:

6 WITNESS: Good evening. My name is Hugh
7 Weathers. I have the privilege to serve South
8 Carolina as your Commissioner of Agriculture. And
9 quite a few of my constituents, within the total
10 constituency, are here. And I'm going to speak
11 maybe on their behalf, but I'm going to speak as a
12 farmer, I'm going to speak as someone who's visited
13 this part of the State for three of the last four
14 years for the same reason. It always has to do
15 with something that Mother Nature has in store for
16 us with too much water, too much weather-related
17 events – wind, water from hurricanes and floods.
18 During those times, I've seen farmers go from the
19 resilient bunch that we are to being just
20 emotionally challenged by the weather events beyond
21 their control.

22 Now let me just speak a little bit about maybe
23 how a farmer is impacted by this a little
24 differently. A lot of us in farming have many
25 locations within our farms that would have a meter

1 base. Some of them might only be used seasonally,
2 either for irrigation, might be used for drying of
3 crops, and other things that are not a year-round
4 basis. So when you have that multiplied by,
5 sometimes, 30 or 40, the base rate change that's
6 proposed, it can have just an undue impact from
7 that base rate change on that particular farming
8 operation, because the base-load change would not
9 be spread over as much electricity usage as perhaps
10 someone 365 days out of the year.

11 So the farming economy is different. It is
12 challenged. We do not have a PSC to go before when
13 we need more for our milk or our corn or our
14 soybeans. We have the markets, and the markets
15 have not been very kind to farmers in the last few
16 years, for a lot of reasons. World economies
17 affect all these things. So the agricultural
18 economy of South Carolina right now is on a
19 downward end of a cycle, so for what seems like a
20 minor adjustment in the electricity charges across
21 their farm is not minor in this particular case,
22 again because of the reasons we pointed out – the
23 last three years or so that we've had challenging
24 us, and now the market conditions.

25 So as Commissioner of Agriculture and perhaps

1 a spokesperson for what some of the farmers here
2 will tell you later, this rate change will have
3 just an exorbitant impact based on the way that a
4 lot of the farmers are set up with their
5 electricity usage. I don't want to take too much
6 of your time. I just appreciate the chance for you
7 to be here, for you to hear this, and I'll just
8 stay for any questions that you may have of me.

9 **CHAIRMAN RANDALL:** Thanks, Commissioner.

10 Any questions?

11 **COMMISSIONER WHITFIELD:** Mr. Chairman.

12 **CHAIRMAN RANDALL:** Yes, sir, Commissioner
13 Whitfield.

14 **EXAMINATION**

15 **BY COMMISSIONER WHITFIELD:**

16 **Q** Good to have you with us tonight, Commissioner.
17 Wondering if you've had any discussions with ORS or any
18 other group. Typically, their Consumer Services
19 Division represents residential ratepayers, and
20 oftentimes we have parties intervene on behalf of large
21 industrial customers. But with your seasonal metering,
22 like irrigation and some of those things, have you had
23 any discussions with Ms. Edwards of ORS, or with any
24 other group –

25 **A** Commissioner, I – unfortunately, I have not. I've had

1 conversations with representatives of Progress Energy,
2 just to speak to the same things I've said here. But, I
3 have not.

4 **Q** Well, certainly, you've got them here tonight, and
5 you've got –

6 **A** Hopefully, they heard.

7 **Q** And we, of course, can't get involved, but I certainly –
8 you've got the right folks here, I think, tonight.

9 **A** Also, unfortunately, I usually cross paths with ORS when
10 we're fighting hurricane relief, so...

11 **COMMISSIONER WHITFIELD:** Yes, sir. We're
12 aware of the devastation that's occurred down here
13 in the past. Thank you.

14 Thank you, Mr. Chairman.

15 **CHAIRMAN RANDALL:** Any other questions of
16 Commissioner Weathers?

17 **MS. EDWARDS:** I'm sorry, I do have one
18 question, but I didn't want to jump ahead of the
19 Commissioners, but I didn't want you to leave me
20 out.

21 **CHAIRMAN RANDALL:** Go ahead. You go for it.

22 **MS. EDWARDS:** Okay.

23 **CROSS EXAMINATION**

24 **BY MS. EDWARDS:**

25 **Q** Thank you for your testimony tonight. Can you guys hear

1 me? Okay.

2 I appreciate the fact that you brought forward that
3 the farming economy is different than maybe certain
4 other businesses –

5 **A** Yes, ma'am.

6 **Q** – that would be impacted. In particular, I wanted to
7 get to the point: Would you agree with me that raising
8 prices for your commodities or for what farmers have,
9 that's not like in a normal business environment; you
10 can't just take the increase and pass it on. Is that a
11 fair statement?

12 **A** That's very much an understatement. It is strictly the
13 nature of agriculture – we buy it retail and we sell it
14 wholesale – and the markets for most of the crops grown
15 here in the Pee Dee area are based on world economies.
16 What happens in China can impact a farmer from Florence
17 as much as the rain here, with the prices that they
18 receive.

19 **Q** What difficult choices do you believe that farmers would
20 have to make if the increase was granted, as requested?

21 **A** Well, some of them might be forced to look at a
22 different way to operate. You can use diesel-operated
23 generators for your irrigation. It's impractical.
24 Would it cost out to be effective? I don't know. But
25 then they'll have to look at each individual case, "Can

1 I afford to still operate this piece of my business?"
2 They'll look at it on an incremental basis across the
3 farm, not just as a whole.

4 **Q** And, of course, diesel, when we're in a period of time
5 about looking at greener technology, that would not be
6 optimal.

7 **A** It would not be.

8 **Q** Okay.

9 **A** Just, it is an option.

10 **Q** Okay. Thank you, sir.

11 **A** Thank you.

12 **CHAIRMAN RANDALL:** Thank you.

13 Any other questions?

14 [No response]

15 Thank you, Commissioner. Appreciate you being
16 here.

17 [WHEREUPON, the witness was excused.]

18 Before we start calling names, Commissioner
19 Hamilton, from the Seventh District, had a question
20 or two. Commissioner, pull that microphone down to
21 you.

22 **COMMISSIONER HAMILTON:** Yes. Thank you, Mr.
23 Chairman.

24 Ms. Smith, if I could ask you a couple of
25 questions, I realize in the Duke Carolinas case we

1 have a stipulation for the base rate or fixed
2 charge. Can you tell me where we are in this case
3 with that stipulation?

4 MS. SMITH: On March 26, Duke Energy Progress
5 filed a letter based on feedback that we received
6 through a number of filings on the Commission's
7 website, feedback that our folks had heard directly
8 from the community. And as a result of that, the
9 company revisited its request to include a \$29
10 basic facilities charge in the rate increase.

11 And so on March 26th, with all that feedback,
12 the company revised its opinion on the matter, and
13 going off of some testimony and analysis that the
14 ORS had provided, the company indicated that,
15 rather than the \$29 basic facility charge, it was –
16 it could be agreeable to an \$11.78 residential
17 charge, and then a \$12.34 SGS charge, and an \$11.31
18 constant-load SGS charge. And it's my
19 understanding that a lot of the farming community
20 is on these SGS rates for the multiple meters that
21 we just heard the Commissioner speak of.

22 And with that, that would be the change in the
23 basic facilities charge, and the remaining revenue
24 requirement that the company would be seeking would
25 be in the volumetric component.

1 **COMMISSIONER HAMILTON:** Okay. So it would be
2 a reduction from \$29 to the three figures you gave,
3 which the lowest was \$11.78?

4 **MS. SMITH:** Eleven seventy-eight [\$11.78] for
5 residential customers, and then the small general
6 service was \$12.34.

7 **COMMISSIONER HAMILTON:** Okay

8 **MS. SMITH:** And \$11.31 for SGS constant load.

9 **COMMISSIONER HAMILTON:** And that's the farm –

10 **MS. SMITH:** It's my understanding, sir.

11 **COMMISSIONER HAMILTON:** Thank you, ma'am. One
12 other question we had in another hearing. We had
13 an awful lot of discussion about executive
14 salaries. And I know that ORS had presented – Mr.
15 Nelson – in the other hearing, an amount that was
16 much less than we read about in the *Charlotte*
17 *Observer*. Do you know what the agreement was that
18 worked out between you two, before it comes to the
19 Commission was, like, 540?

20 **MS. SMITH:** Yes, sir. The company takes the
21 salaries of its executives and spreads them across
22 the multiple jurisdictions in which Duke operates,
23 and the approximately \$500,000 number you mentioned
24 was attributable to our CEO, Lynn Good. That is
25 how much customers in the Duke Energy Carolinas

territory are being requested to compensate for the CEO's salary. In the Duke Energy Progress territory, \$175,000 is allocated from this region for Ms. Good's salary.

COMMISSIONER HAMILTON: Okay. And that kind of replaces the *Charlotte Observer* information; is that right?

MS. SMITH: Yes, sir. That was an aggregate number, not broken down by jurisdiction and customers.

COMMISSIONER HAMILTON: Thank you, Ms. Smith, very much, for this clarification.

MS. SMITH: Thank you, sir.

CHAIRMAN RANDALL: Thank you. Thank you, Commissioner Hamilton.

Okay, Mr. Bockman.

MR. BOCKMAN: At this point, we're going to read out three names. We ask that the first person take the podium and the other two be in the aisle behind them, ready to take the stand, please.

We are going to be very loud here, so that we can assure that everyone to the side and out in the hall can hear us.

So, if we could have at this point Harry Ott, Anthony Ward, and Kenneth Nance approach the

1 podium, please.

2 [Witness affirmed]

3 THEREUPON came,

4 H A R R Y O T T ,

5 who, having been first duly affirmed, testified as follows:

6 WITNESS: My name is Harry Ott. I live in St.
7 Matthews, South Carolina, and I am the President of
8 South Carolina Farm Bureau.

9 Are we ready, Mr. Chairman?

10 CHAIRMAN RANDALL: I think we're - we're
11 trying to make sure we call everybody's name out in
12 the hall, as well as when we call them in here.
13 But I think, Mr. Ott, I believe it's time for you
14 to go.

15 WITNESS: Well, thank you, Mr. Chairman.

16 On behalf of all the farmers that are here
17 tonight and all across the great State, I want to
18 thank you for the opportunity of allowing us to
19 come and make some public statements as it relates
20 to the power increase that Duke is asking.

21 There's an old saying out on the farm, you can
22 mash a pancake as flat as you want to, but it will
23 always have two sides on it. And I'm sure you have
24 heard Duke Energy's side of the equation on why
25 they need an increase in their rates. I want to

1 talk with you tonight about agriculture and follow
2 up on what the Commissioner has already told you,
3 and give you our side of that pancake and tell you
4 why we believe that this rate increase is
5 unjustified at this point in time.

6 Obviously, we probably would not have been
7 here tonight if Duke had not chosen to ask for 123
8 to 133 percent increase on their base utility rate.
9 That's what got our attention. But, you know, we
10 also understand that you've got people in this
11 audience that live on a fixed income, Social
12 Security check. So this isn't just about
13 agriculture. This is about everybody that turns
14 their lights on every day. So while I'm going to
15 talk to you about agriculture, I want everybody in
16 this audience to know that we feel your pain also,
17 and we are here in your support.

18 But you heard the Commissioner tell you that
19 we've had two years, out of the last four, of
20 floods in the Pee Dee. We have a lot of farmers
21 who are very stressed out in the financial world,
22 and we can't come to grips with somebody asking for
23 an overall 14½ percent increase on utility rates in
24 the Pee Dee.

25 Now 14½ percent might not sound like a lot to

1 y'all sitting behind that desk. But if you're out
2 here on the farm and your margins are about 1 to 2
3 percent right now – and that's if you have a good
4 year and getting to cut all your crops. If y'all
5 drove in on I-95, you probably saw soybeans and
6 cotton that are still in the field from last year,
7 that will never be harvested. We spent 100 percent
8 of our money to harvest zero. We might have gotten
9 a little bit of crop insurance.

10 But these rate increases, Mr. Chairman and
11 members of the Commission, we don't have a way to
12 pass these costs to anybody. If you take the low
13 prices, the problems that we have on the world
14 market with the tariffs and the trade situations,
15 the old saying down on the farm is you just can't
16 squeeze any more blood out of this turnip. And
17 that's why we're here to put a face on this
18 request. And we need for y'all to hear us, hear
19 our plight –

20 [3-minute signal]

21 – and take this into consideration when you
22 are making this decision. And remember,
23 agriculture is the largest economy – economic
24 driver in the State, and it is the largest employer
25 in the State of South Carolina. The Pee Dee is the

capital of agriculture in the State of South Carolina. These rate increases are going to have a very detrimental impact on agriculture in the Pee Dee, and I would ask for your consideration.

CHAIRMAN RANDALL: Thank you, sir. Hang on right there and let me see – any questions from the parties? Ms. Edwards.

CROSS EXAMINATION

BY MS. EDWARDS:

Q Thank you for being here tonight.

A Thank you.

Q Just very quickly, I had asked, earlier, the Commissioner, you know, what difficult choices would you need to make, whether it's the volumetric charge or BFC, what – one question I have as follow-up is, I mean, could it put some of the farmers out of business?

A I would tell you, in all honesty, our alternatives are none. We have become dependent on electricity, which is why we're here saying we can't do without electricity. We understand you provide a product that we cannot get along without. We have to have it. So if you ask me if I've got any alternative, the answer is no. I'm going to hit the switch on my irrigation pump, I'm going to hit the switch on my fuel pump and put fuel in my tractors, and I'm going to turn lights on in my shop to

1 run the welder. What that means is I might not have
2 enough money to pay some of my other bills, but you've
3 got me over a barrel. I've got nowhere to go to get
4 electricity except from Duke Energy – my customers in
5 the Pee Dee.

6 So it's not like we have choices. We are hooked on
7 Duke.

8 [Laughter]

9 So we are just asking for some fairness in this
10 equation, so that we can pay our bills.

11 And I want to mention one thing, if I could, Mr.
12 Chairman. I know – I told a few of my acquaintances I'd
13 probably run over. And I want to thank Duke for coming
14 to the table and reducing some of these rates. But they
15 only reduced – if I'm reading the letter correctly – two
16 of the categories. And we believe we've got a lot of
17 farmers that will fall into that medium range, and we
18 would request that those rate reductions also come to
19 those medium-range farmers that get their – so that
20 their rates don't go from \$17 per meter to \$40 per
21 meter. So we believe at least those top three rates –
22 while I appreciate the movement on the first two – I
23 would ask that y'all consider reductions on that third
24 one.

25 **Q** You anticipated my very next question. Thank you.

[Laughter]

CHAIRMAN RANDALL: Thank you.

Commissioners, any questions? Commissioner
Ervin.

EXAMINATION

BY COMMISSIONER ERVIN:

Q Mr. Ott –

A Yes, sir. Good to see you.

Q – good to have you with us tonight.

A Thank you.

Q How many members do you have now in South Carolina?

A We've got right at 100,000.

Q And I would be interested in knowing if ORS has researched the possibility of having an agricultural rate. I know that, historically, we had a cotton gin rate. I don't know how much cotton is being grown now in the Pee Dee.

A Actually, I'm a partner in a cotton gin. We get a rate on natural gas when it's available, and then they turn it off and you've got to go to something else.

Q But the idea, I think, back then – and maybe still is – that it's a seasonal usage, but when you use it sometimes you're using it 24 hours a day when you're ginning cotton. Is that what you do?

A Yes, sir. When we run, we run constantly. And that

1 takes us to the irrigation systems.

2 **Q** Right.

3 **A** You know, those systems sit out, oh, nine months out of
4 the year sometimes, but we still pay that base rate –

5 **Q** Exactly.

6 **A** – every month, even when we're not using it. And then
7 when we turn them on, if it's 100 degrees in July and
8 we've got corn in the field, we pretty much run them
9 24/7.

10 **COMMISSIONER ERVIN:** So, I don't know if we
11 can do it in this docket, but in future dockets I
12 would like for you to look into a lower
13 agricultural rate.

14 **BY COMMISSIONER ERVIN:**

15 **Q** Since our farmers have been impacted by so many
16 different things coming at you, with the floods and the
17 trade barriers, the tariffs, and all of the problems
18 that you're having, you know, getting in the foreign
19 markets. We could adjust it, you know, if some of these
20 problems could be solved long-term, but for now it seems
21 to me that you really need help. You need a hand up.

22 **A** I would appreciate anything – Mr. Commissioner, I will
23 tell you, we heard testimony in Washington DC, the farm
24 economy – not only in South Carolina, but across the
25 nation – is bordering on the 1980s, when a lot of people

1 went out of business in agriculture. We are about one
2 more flood away from that level. I've heard people in
3 Washington talking to senators and House members that
4 have been five- and six-generation farmers, and they
5 don't want to be the last generation to work the land.

6 So any consideration that this Commission or Duke
7 or ORS can give to us in agriculture, and all of these
8 ladies and gentlemen in this audience, would be greatly
9 appreciated.

10 **Q** And it could be that Duke could also look at the, you
11 know, the historic rates for cotton gins. You might
12 even could incorporate it under that category for a
13 special seasonal rate.

14 **A** We would certainly appreciate any –

15 **Q** So we'll – I'd like to look into that on the regulatory
16 side and see if there's any relief that can be offered.
17 Thank you for being with us.

18 **A** Thank you for allowing me to give my testimony.

19 **CHAIRMAN RANDALL:** Thank you.

20 Other Commissioners? Commissioner Williams.

21 **EXAMINATION**

22 **BY VICE CHAIRMAN WILLIAMS:**

23 **Q** Good evening, Mr. Ott.

24 **A** Good evening.

25 **Q** Thank you for being here this evening. I appreciate

1 your commentary about the rates, and we're taking all
2 that into consideration. I had a question about a topic
3 other than the rates, since you're representing some of
4 the farmers here this evening.

5 How is the customer service from Duke? Have there
6 been any issues on your farm, regarding customer
7 service, dealing with your meters, running your farm
8 effectively and efficiently?

9 **A** I'm going to be as honest with you as I can. Having –
10 not being a member of this area and getting my service
11 from Duke, I have heard of a few farmers who have had
12 some issues with Duke. I think the person coming behind
13 me would be more likely to be able to give you an answer
14 as far as the service that he receives on his farm from
15 Duke Energy, if that's – I just don't get my power from
16 them, so I don't deal with them on a daily basis.

17 **VICE CHAIRMAN WILLIAMS:** Thank you, I
18 appreciate that.

19 **CHAIRMAN RANDALL:** Thank you.
20 Commissioner Howard.

21 **EXAMINATION**

22 **BY COMMISSIONER HOWARD:**

23 **Q** Mr. Ott.

24 **A** Hello.

25 **Q** Hello. A couple things you mentioned, I'd like you to

1 elaborate a little more. Number one, exactly – and I
2 know it does, but exactly where in the world economy
3 affects the Pee Dee the most? And tell me about how
4 those tariffs affect the Pee Dee.

5 **A** Where in the country affects the Pee Dee the most,
6 obviously I think China has the biggest impact on
7 everybody. I mean, they are the biggest customer on the
8 block. We grow a lot of soybeans in the Pee Dee. Most
9 of y'all have probably read in the paper where China
10 quit buying a lot of our soybeans because they – both
11 the tariff situation and then the retaliatory tariffs
12 that China put back on us. So, you know, I would say
13 China and the tariffs and the access to world markets
14 have probably taken \$1.50 or \$2 away from the price of a
15 bushel of soybeans that farmers in the Pee Dee area
16 receive.

17 **Q** Thank you, very much.

18 **A** Thank you.

19 **CHAIRMAN RANDALL:** Thank you.

20 Commissioners, any other questions?

21 **COMMISSIONER WHITFIELD:** Mr. Chairman.

22 **CHAIRMAN RANDALL:** Commissioner Whitfield.

23 **COMMISSIONER WHITFIELD:** Thank you.

24 <

25 <

EXAMINATION**BY COMMISSIONER WHITFIELD:****Q** Mr. Ott, I've got one quick follow up.**A** Yes, sir.

Q You have some of your members behind you, and citizens behind you, may clarify this area. I realize you're not a resident of the Pee Dee. But have you heard any of your farmers in this area talk about like what Commissioner Weathers suggested, having to use diesel for the irrigation of the seasonal use? Or have you heard any discussion, would this proposed increase force people to do that, something that might not be as economical? Or what's your thoughts on that?

A While that would always be an option, I don't think it's a very likely choice at this point, because, now, if you were putting in a new pivot, you may choose – if these rate increases keep going – you may choose to set up that new pivot on diesel power. But if you've made the investment and you've already got your pumps in the ground and you've got all of your things wired for electricity, it would be very costly to undo all of that to put in diesel power, because generally – I mean, a lot of people don't understand this about agriculture, and I'm going long, but a lot of times when they run these three-phase power lines to our fields they don't

1 do it out of the goodness of their heart; we have to pay
2 for it. You know? We end up putting in the power lines
3 to run to our fields, and they get the ownership and
4 then they charge us money for giving us power. You
5 know, if you want to look into a way to help alleviate
6 some of that pain, now, we could have a real
7 conversation about –

8 [Laughter]

9 – “Why am I buying power lines to run electricity
10 and you get to own the power lines and charge me to
11 bring me electricity on the power line I paid for?” So,
12 and it’s not just Duke, okay? That’s across the whole
13 area, so – but we could have a lot of conversation about
14 those. But I’m not really here to talk about that.

15 I just want a fair opportunity to make a living.
16 And I’ll say this: There’s not a farmer in this crowd
17 that wants to be here tonight. Not a single one of us.
18 We would much rather be planting corn or trying to disk
19 up some of those wet spots that might be dry enough to
20 get in right before this next rain comes in tomorrow.
21 But it’s important to us. Our livelihood is at stake
22 and we cannot continue to get rate increase after rate
23 increase, on top of fertilizer prices going up, and
24 commodity prices going down. We are at that proverbial
25 spot that we don’t have any more to give. So, now we

1 have to come to y'all.

2 **Q** Thank you, Mr. Ott.

3 **A** Thank you.

4 **COMMISSIONER WHITFIELD:** Thank you for your
5 testimony.

6 **CHAIRMAN RANDALL:** Thank you. Appreciate you
7 being here tonight.

8 **WITNESS:** Thank y'all.

9 [WHEREUPON, the witness was excused.]

10 **CHAIRMAN RANDALL:** Okay, Mr. Bockman?

11 **MR. BOCKMAN:** Yes, Chairman. Anthony Ward,
12 followed by Kenneth Nance and Woody Timmons.
13 Anthony Ward, Kenneth Nance, and if Woody Timmons
14 could join us at the podium, please.

15 [Witness affirmed]

16 THEREUPON came,

17 **A N T H O N Y W A R D ,**
18 who, having been first duly affirmed, testified as follows:

19 **WITNESS:** Anthony Ward. Florence County
20 President, Farm Bureau.

21 Before we get started on the clock, I just
22 wanted to clarify that there were three documents
23 that you guys got, entered into the docket. I want
24 to make sure you guys got that.

25 And I also have a question for the President

1 of Duke Progress, about the number of agricultural
2 meters. Okay? Just wanted to clarify that.

3 Thank you, Commission, for being here. My
4 name is Anthony Ward, President of Florence County
5 Farm Bureau. I represent approximately 4500
6 people.

7 I currently am a full-time farmer. I farm
8 2300 acres of land: 1000 acres of cotton, 1000
9 acres of soybeans, and a couple hundred acres of
10 corn.

11 Gentlemen, let me just tell you, this is a
12 rough road. One more year – I'm probably a sixth
13 or seventh generation farmer. There have been many
14 farmers in my family sit down at a family reunion,
15 five, six farmers in the house. I'm the last man
16 standing. One more year of this, and it's over.
17 It's over. Pack my bags and I'm going somewhere
18 else, because I can't make it.

19 How does this affect the farmer? Farmers have
20 many meters. Tobacco houses, pack houses,
21 irrigation systems, small services, barns, bulk
22 barns, grain bins, so you name it. How many meters
23 do I have? Probably about 12 or 13 between the co-
24 op and Progress Energy. This directly affects my
25 bottom line. I cannot recoup any cost. None.

1 None.

2 My soybean prices aren't going up. My input
3 costs are going up. I have no control whatsoever.
4 You cannot borrow yourself out of this hole. You
5 can't do it. It's not going to happen.

6 The farming economy, let's talk about where
7 we've been and where we are. '15, a hundred-year
8 flood; '16, hurricane; '18, one hurricane wasn't
9 enough, two hurricanes was not enough. We were
10 faced with continuous rainfall throughout the
11 harvest season and left many, many, many acres of
12 cotton left out in the fields. I had approximately
13 1000 acres of cotton; I left about 500-600 acres in
14 the field.

15 Return on investment: I'm hearing 9.3
16 percent. It would be really nice if I could use
17 somebody else's capital to farm with and be
18 guaranteed a 9.3 percent return on my investment.
19 I'd love to do that.

20 Medium general service rates: It's one thing
21 that got mentioned. Pivots fall in those rates.
22 That's 133 percent, \$17 to \$40. That's \$23 a
23 meter, times 12, per pivot. That's a big number.

24 Gentlemen, thank you for being here and
25 listening to the farmers. Agriculture is the

number one –

[3-minute signal]

– industry in the State of South Carolina. We do want reliable energy but, at the same time, what's more important: food or electricity?

Thank you, gentlemen.

CHAIRMAN RANDALL: Thank you, Mr. Ward. Hang on.

Questions from the parties?

MS. EDWARDS: Thank you.

CROSS EXAMINATION

BY MS. EDWARDS:

Q Thank you for being here tonight. I know you just mentioned the 9.3 percent. It sounds like the last couple of years you not only had – you had zero profit; is that a fair statement?

A Yes, ma'am, that's an understatement.

Q That's an understatement? In light of the company's request for an increase, do you have an account manager with Duke? Or do you deal with – who do you deal with at Duke?

A Great question. We deal with a 1-800 number. Used to have a contact, an account manager. But about eight, nine years ago, they did away with that. So we really have no representation as a farmer, from an account

1 manager standpoint.

2 **Q** So there used to be someone for the agricultural
3 community, like an account representative, that the
4 agricultural community could talk to, but now you're
5 just funneled directly through the same toll-free number
6 everybody else is?

7 **A** Yes, ma'am.

8 **Q** Okay.

9 **A** So when we call to ask for point of delivery for a
10 chicken pen or a chicken house, they think it's a coop.
11 We're investing millions of dollars to build this
12 infrastructure. We need some kind of representation.

13 **Q** Thank you for that. You mentioned the medium general
14 service. I think there's some confusion. When you –
15 what is a pivot? I'm sorry, I don't know.

16 **A** A pivot is the irrigation system that allows you to
17 water your crops.

18 **Q** And that would fall under the medium general service,
19 you believe?

20 **A** Depending on the size of your well and the usage. If
21 you're over 33 kW, I believe, you go into to a medium
22 general – a medium rate.

23 **Q** And would you or other farmers fall into that category?

24 **A** Yes, ma'am. I actually currently have an irrigation
25 system that falls in this medium general service rate.

1 Q Okay. And that –

2 A Most pivots are in the medium general service rate.

3 Q And that rate, again, it would go from \$17.17 to \$40.03?

4 A That's \$23 a month –

5 Q Okay.

6 A – increase.

7 MS. EDWARDS: Thank you, sir.

8 CHAIRMAN RANDALL: Thank you.

9 Commissioners, any questions?

10 VICE CHAIRMAN WILLIAMS: Mr. Chairman.

11 CHAIRMAN RANDALL: Commissioner Williams.

12 EXAMINATION

13 BY VICE CHAIRMAN WILLIAMS:

14 Q Sir, thank you for coming and sharing your testimony
15 today. I have a similar question to that I asked Mr.
16 Ott. Could you share with me some stories about your
17 experience or some of your members' experience in
18 dealing with Duke and the level of customer service?
19 Good, bad, otherwise?

20 A Yes, sir, I'm glad to. First, DuPree Atkinson – is he
21 in the room?

22 MR. ATKINSON: Right here [indicating].

23 WITNESS: Mind if I share your story?

24 MR. ATKINSON: Go right ahead.

25 WITNESS: Thanks, DuPree.

1 DuPree is a full-time farmer. I don't know if
2 DuPree got a chance to get on the list to talk.
3 DuPree added some tobacco barns several – or, a
4 year or two ago. And while they upgraded the
5 transformer, they forgot to upgrade the service.
6 So when you don't upgrade the service and you add
7 load, you burn the line down. Lost his tobacco
8 barn, lost his crop.

9 I think it would be a fair statement to say
10 that Mr. DuPree was probably jerked around a little
11 bit on getting paid for his loss, and it was the
12 power company's fault for not upgrading the
13 secondary wire. That's one case.

14 I'd like to share with you another case, on my
15 behalf. About seven years ago when I took off on
16 this venture, I had a low secondary line – a guy
17 wire, sorry, a span guy wire coming over the road,
18 grew up in vines, and it lacked about a foot from
19 my GPS on the top of my tractor. Well, if I go
20 through there and I yank that line down and it
21 falls on my equipment, what's that going to do to
22 me? It's gonna kill me, kill whoever's in that
23 tractor, more than likely. Twenty-three thousand
24 [23,000] volts is a lot of voltage.

25 So not one time, not two times. It'd be safe

1 to say three, if not four times, I called the
2 Public Service Commission to let them know about
3 what was going on. Nobody responded. On the last
4 phone call, you can imagine how heated I was. So I
5 called up there and I told them whoever's in
6 charge, I needed to talk to them. At that point, I
7 sent a picture. That got their attention. Hours
8 later, tree crews showed up, fixed the problem.
9 Why did I have to take my time out of my farming
10 operation to do this? I should be able to call or
11 talk to anybody at the company and they should be
12 able to address it. And I was having conversations
13 with the mana- — or, supervisor at that time.

14 Hopefully, that answered your question.

15 **BY VICE CHAIRMAN WILLIAMS:**

16 **Q** It did. I just want to clarify something, now. You
17 said you called us, the Public Service Commission, or
18 you called Duke, with the wire?

19 **A** I called the Public Service Commission.

20 **Q** Okay. Any reason why you didn't call Duke about that
21 wire?

22 **A** I was talking with the supervisor, and I couldn't get
23 any help.

24 **Q** So, no response from Duke —

25 **A** No response.

1 **Q** – so you tried the Public Service Commission?

2 **A** Yes.

3 **Q** I gotcha. And I take it you are familiar with ORS's
4 role, as well.

5 **A** I understand, yes.

6 **Q** Okay, being the consumer advocate?

7 **A** Yes.

8 **Q** Okay. All right. Thank you for sharing your story,
9 sir.

10 **WITNESS:** Anybody got any other questions?

11 **CHAIRMAN RANDALL:** Hang on one second.

12 Any other Commissioner questions?

13 [No response]

14 All right. I want to make sure we get the
15 three documents that you were talking. We've got
16 those down, Ms. Wheat? We'll enter those as
17 Hearing Exhibit No. 1.

18 [WHEREUPON, Hearing Exhibit No. 1 was
19 marked and received in evidence.]

20 **WITNESS:** If I could, real quick, a quick
21 question for the President – South Carolina
22 President? I received a letter from Lynn Good in
23 regards to how many meters agricultural has. In
24 her response – I'm looking for this number. I
25 thought I saw 513 agricultural-related accounts.

1 That number seems a little low. I'd like to ask
2 the President how they come up with that number.

3 **CHAIRMAN RANDALL:** I would say, why don't you
4 get with Mr. Preston back there in the back.

5 **WITNESS:** Okay, sure.

6 **CHAIRMAN RANDALL:** And get him to help you
7 with that, and get you to the right direction.

8 **WITNESS:** Gotcha. Thank you guys. Appreciate
9 it.

10 **COMMISSIONER WHITFIELD:** Mr. Chairman, I would
11 like to say one other – ask one thing of Mr. Ward.

12 What Commissioner Williams was telling you,
13 now that you're familiar with the South Carolina
14 Office of Regulatory Staff, when you call the
15 Commission, since Act 175 was passed, that does not
16 allow the Commission to do anything. That call
17 will get immediately forwarded to the Office of
18 Regulatory Staff. And Ms. Edwards gave that 800
19 number out, earlier this evening. So, please, make
20 sure you have that in the future.

21 **WITNESS:** Got it.

22 **COMMISSIONER WHITFIELD:** Because we're not
23 allowed to help with consumer complaints anymore,
24 as of 2004.

25 Thank you, Mr. Chairman.

1 **CHAIRMAN RANDALL:** Thank you.

2 Okay. Thank you, Mr. Ward.

3 **MR. BOCKMAN:** Thank you, Mr. Ward.

4 [WHEREUPON, the witness was excused.]

5 We have Kenneth Nance, Woody Timmons, Buquilla
6 Cannon. Kenneth Nance, Woody Timmons, Buquilla
7 Cannon.

8 [Witness affirmed]

9 THEREUPON came,

10 **K E N N E T H N A N C E ,**
11 who, having been first duly affirmed, testified as follows:

12 **WITNESS:** Kenneth Nance, and I live at 1721
13 North Douglas Street, Florence.

14 Gentlemen, thank you for letting me speak here
15 tonight. I'm touching on a few different areas,
16 and much of what I wanted to say, the gentlemen
17 ahead of me, they covered it.

18 But it's a growing trend in this country now,
19 and I refer to it as WDIS, "Where does it stop?"
20 I'm not opposed to anybody or any business making a
21 profit. You've got to make a profit to keep your
22 door open. But just to reach back in your back
23 pocket and pull out a list, "Yeah, we need a price
24 increase for this, this, and this, and this,"
25 without being able to justify it, no, I don't agree

1 with that.

2 There's too many people out here having hard
3 times right now, like the Farm Bureau President was
4 saying. You know, much more, and we're all going
5 under. And right now – I'm a retired farmer, but
6 26 percent of people in this country are feeding
7 the world. That's 26 percent feeding the world
8 population.

9 You know, we just voted down – we had a
10 referendum here about three or four weeks ago. The
11 school district was trying to raise \$194 million to
12 pay for four schools, a gymnasium and an athletic
13 facility for each one of those schools. And we
14 voted it down three-to-one because where does it
15 stop? We can't take much more.

16 Whether you go to Burger King or a fine-dining
17 restaurant, get your receipt. You're paying a 10
18 percent food tax on whatever you buy – even a
19 hamburger or a hotdog, you're paying 10 percent
20 food tax. Where does it stop?

21 I had a problem with Duke Energy back here
22 last year. I've got about 10 acres of right-of-way
23 land on my farm that, back in 1920, they only paid
24 \$125 and cut through 10 acres of my farm. That was
25 under different ownership. A hundred and twenty-

1 five dollars [\$125], and I've got the paperwork to
2 show that, if you want to see it. But the thing
3 about it, Duke – they sort of put the old strong
4 hand on me and told me, "Hey, you're gonna have to
5 let us put chemicals on that right-of-way, or
6 you're gonna have to cut it yourself."

7 [3-minute signal]

8 Well, these chemicals are serious. I ended up
9 having to sign an agreement and agree to cut as
10 much of that area as I could – and, you know, some
11 of it is swampland and I can't cut that. But
12 anyway, I had to agree to mow and keep the right-
13 of-way cut for Duke Energy, and that was about 10
14 acres. But you know, here again – we're getting
15 down to the end of my little speech here, and I
16 thank you very highly. WDIS: Where does it stop?
17 Where does it stop? you know, we can all sit back
18 and say, "Yeah, man, we'd love to have a pay raise,
19 we'd love to have new cars, this, that, and the
20 other. We just pass along to the consumer and let
21 them suck it up." Well, I can assure you I'm not
22 part of the suck-it-up generation.

23 [Laughter; applause]

24 I'm sorry, I am not part of the suck-it-up
25 generation. Thank you.

1 **CHAIRMAN RANDALL:** Commissioners, any
2 questions?

3 **WITNESS:** I believe in doing things the right
4 way, but let's – you know, where does it stop?

5 **CHAIRMAN RANDALL:** Thank you, sir.

6 **MS. EDWARDS:** I just have a clarification
7 question.

8 **CROSS EXAMINATION**

9 **BY MS. EDWARDS:**

10 **Q** Are you maintaining that right-of-way now?

11 **A** Yeah.

12 **Q** And so, rather than have the chemical – which I guess
13 this is part of vegetation management.

14 **A** Yeah, uh-huh.

15 **Q** But rather than have them using a chemical, you elect to
16 do that clearance yourself.

17 **A** Yeah. Yeah, because my land is valuable to me. I'm
18 grazing livestock out there.

19 And there's been – there was another case back here
20 a number of years ago, where they came in the back side
21 of my farm and sprayed chemicals out there, and it was
22 under CP&L then. And they got the contractor out there
23 and made him fence it off, so my cows wouldn't get it.
24 The guy made the statement, he says, "Man, that stuff is
25 harmless." He said, "I'll drink a glass of it right

1 now." I said, "Well, get you a glass and drink it," you
2 know?

3 [Laughter]

4 But, anyway, he went out and he put a fence around
5 it. But, you know, getting on the Duke's customer
6 service, my line coming into my house from the main line
7 had a lot of limbs hanging over it. Well, I called Duke
8 and they sent a guy out there. And he said, "Well, we
9 don't do anything about that until it falls on the line
10 and tear the line down. Then we'll come out and put the
11 lines back up." We just had a new crew come through
12 here about two weeks ago, and I explained my predicament
13 to them, and they were very generous and they came out
14 and they cut that. But Duke's policy was, "We'll just
15 let it fall on the line. We can't afford to go out and
16 trim lines for, you know, all these things." You know,
17 hey, I believe in being proactive rather than reactive.
18 It's a whole lot more organized.

19 **CHAIRMAN RANDALL:** Thank you, Mr. Nance.

20 Any other questions, Commissioners?

21 [No response]

22 **WITNESS:** Thank you.

23 **CHAIRMAN RANDALL:** Thank you, very much.

24 Appreciate you being here.

25 [WHEREUPON, the witness was excused.]

1 **MR. BOCKMAN:** After Woody Timmons, we have
2 Buquilla Cannon and Sarah Mellen. Sarah Mellen.

3 [Witness affirmed]

4 THEREUPON came,

5 **W O O D Y T I M M O N S ,**
6 who, having been first duly affirmed, testified as follows:

7 **WITNESS:** Woody Timmons. I live in the Town
8 of Timmonsville.

9 I'm a representative of an organization that's
10 not organized. It's called homeowners, and I'm not
11 an HOA member. I own a home, but I'm not an HOA
12 member.

13 But real briefly, homeowners do a lot to try
14 and save energy, to try and help the green path
15 that we hope to follow. I recently spent – and I'm
16 not going to say how much, but tens of thousands of
17 dollars to follow that path by going to solar
18 energy at my home, in cooperation with Duke. And I
19 thank them for that. They worked well with me, and
20 it's paying off. However, I don't have anybody to
21 address my issue to, other than a board like this,
22 when a cost comes down on me. I just have to pay
23 it. I can't even read my meter – and I have called
24 them and asked them how to read it, but they tell
25 me it's up to the person that put the meter up

1 there, the subcontractor.

2 And, anyway, we buy light bulbs, the LED type;
3 we put new insulation in; we put this, this, that
4 and on and on and on, to your home to reduce the
5 amount of energy that we're using, and our bill
6 continues to go in the other direction
7 [indicating].

8 So I'm not too sure how this all works. When
9 I drive down the road, I see, used to be, on top of
10 somebody's house, but now you pass by tens of acres
11 of solar panels. Who are they feeding? They're
12 not feeding people's homes. So ask yourself, who
13 are those solar farms feeding? Then ask yourself,
14 who pays to put them in? And then ask yourself, if
15 they're reducing the cost of the production of
16 electricity, where's that gap being felt? It's not
17 being felt at my house.

18 I rest my case. Questions?

19 **CHAIRMAN RANDALL:** Thank you, Mr. Timmons.

20 Questions from the parties?

21 [No response]

22 **VICE CHAIRMAN WILLIAMS:** Mr. Chairman, I have
23 one questions.

24 **CHAIRMAN RANDALL:** Commission Williams.

25 <

EXAMINATION**BY VICE CHAIRMAN WILLIAMS:**

Q Mr. Timmons, did I understand you correctly, in that you installed, recently installed, solar panels –

A Yes.

Q – at your home?

A Yes.

Q And am I understanding you correctly in that you are opposed to the rate increase in –

A Yes.

Q – the basic facility charge?

A Yes.

Q Okay. Would you make the same decision to install solar panels, if you knew this rate increase was coming?

A Yes.

Q You still would?

A Yes.

Q You still think it's a good investment?

A Yeah, it lowered my bill.

Q Okay.

A It's a good investment.

Q Okay.

A I don't think this is a good investment [indicating].

[Laughter]

VICE CHAIRMAN WILLIAMS: Thank you, sir.

1 CHAIRMAN RANDALL: Any other questions?

2 COMMISSIONER BELSER: Mr. Chairman?

3 CHAIRMAN RANDALL: [Indicating.]

4 EXAMINATION

5 BY COMMISSIONER BELSER:

6 Q You contacted Duke Energy and asked them to advise you
7 on how to read your new meter, after you put the solar
8 panels up?

9 A Yes, ma'am.

10 Q And they could not provide you any information on how to
11 read your meter?

12 A No, ma'am.

13 COMMISSIONER BELSER: Thank you, very much.

14 CHAIRMAN RANDALL: Commissioners, any other
15 questions? Commissioner Hamilton.

16 EXAMINATION

17 BY COMMISSIONER HAMILTON:

18 Q Mr. Timmons –

19 A Yes.

20 Q – it might be smart if you would talk to the Duke
21 representative at the back, and he might can tell you
22 about the solar farm, where it goes.

23 A Thank you.

24 COMMISSIONER HAMILTON: Yes, sir.

25 CHAIRMAN RANDALL: Other questions –

1 **WITNESS:** Anything else?

2 **CHAIRMAN RANDALL:** – from Commissioners?

3 [No response]

4 Thank you, Mr. Timmons.

5 **WITNESS:** Thank you, Mr. Chairman.

6 [WHEREUPON, the witness was excused.]

7 **MR. BOCKMAN:** Thank you. We have Buquilla
8 Cannon, Sarah Mellen, and John Monroe. John
9 Monroe, if you'll take a place behind the podium,
10 please.

11 [Witness affirmed]

12 THEREUPON came,

13 **B U Q U I L L A C A N N O N ,**

14 who, having been first duly affirmed, testified as follows:

15 **WITNESS:** Buquilla Cannon, Laurens County. My
16 name is Buquilla Cannon. I'm representing the
17 residential, small business, and just people in
18 general in the Pee Dee area.

19 We are concerned about the fact that we are
20 even having this hearing, because we don't
21 understand why there is a request for a rate
22 increase, a rate increase when you're talking about
23 one of the most wealthiest companies in the United
24 States: Duke Energy. Why are we trying to – and it
25 is so many people throughout the Pee Dee area that

1 has to make a decision every month about whether
2 they pay their light bill or they pay their
3 medication, or they get their medication or they
4 see their doctor. What is important to these
5 people? Whether they should live? Or whether they
6 should live a life of being sick because they
7 cannot afford the medication, they cannot afford to
8 see their doctor, because they have to have their
9 lights on?

10 These are questions that I – that I got
11 several calls on, in my office. I'm the Office of
12 Minority Health. And these people, my clients and
13 my patients, are dying. They're dying in great
14 numbers because they cannot afford healthcare.
15 They cannot afford healthcare. And the reason that
16 they can't afford healthcare is because they are on
17 a fixed income, and the income will not allow them
18 to be able to afford healthcare.

19 So, where they're left at? They're left with
20 big decisions every month. And they come to my
21 office, and we sit down and we try to do a budget
22 for them, we try to talk to them, to assure them
23 that somebody cares about them. But then they're
24 hearing on the TV, and it may not even sound – you
25 know, be as bad as it sounds. But when you're

1 talking about elderly folks on a fixed income and
2 you're talking about a rate increase on their
3 utility bill, you're talking about some angry
4 people. They're angry. And they're angry because
5 they have a right to be angry, because of the fact
6 that you have even the small businesses that just
7 can barely keep themselves above water – like my
8 business – and you're paying these astronomical
9 bills from December all the way through till April.
10 It's just unreal, even at my residence and not even
11 talking about the business.

12 So you have to cut costs and cut services, and
13 you're just faced with so many hard decisions –
14 hard decisions – that human beings in one of the
15 wealthiest countries in the world should not have
16 to make. You should not have to make –

17 [3-minute signal]

18 – a decision about whether you want to die or
19 whether you want lights. Thank you.

20 [Applause]

21 **CHAIRMAN RANDALL:** Thank you, Ms. Cannon.
22 Hang on.

23 Commissioners, any questions?

24 [No response]

25 Thank you, Ms. Cannon, very much for your

1 testimony.

2 **WITNESS:** You're welcome

3 [WHEREUPON, the witness was excused.]

4 **MR. BOCKMAN:** Thank you. We now have Sarah
5 Mellen, John Monroe, and Patrick Cobb, you're on
6 deck.

7 [Witness affirmed]

8 THEREUPON came,

9 **S A R A H A . M E L L E N ,**

10 who, having been first duly affirmed, testified as follows:

11 **WITNESS:** Sarah Mellen, City of Florence. I'm
12 a residential customer. On the charts they send
13 around every month, my house is well below the
14 energy-efficient house, for its size. So when I
15 saw they were going to basically triple the base
16 cost, that would've made a substantial difference
17 in my electric bill.

18 I'm all in favor of solar energy, but I know
19 there are people who care about how much they're
20 spending on energy because they can't afford to
21 spend more. And I'm glad that they've changed
22 their request in that respect; that was the issue I
23 was particularly interested in addressing.

24 Thank you.

25 **CHAIRMAN RANDALL:** Thank you, Ms. Mellen.

Any questions from the parties?

[No response]

Commissioners?

[No response]

Thank you, ma'am. Thank you for being here.

[WHEREUPON, the witness was excused.]

MR. BOCKMAN: We have John Monroe. Patrick Cobb? Is Patrick Cobb in attendance?

[No response]

If not, we'd like Richard Ervin to step up to the podium, please. Richard Ervin.

[Witness affirmed]

THEREUPON came,

J O H N M O N R O E ,
who, having been first duly affirmed, testified as follows:

WITNESS: John Monroe. I live here in Florence. I'm just a residence.

I think my biggest thing is, being on a fixed income as a senior, these rate increases by, I'll say, a monopoly company that says, "We're going to do this. And, you know, yes, we're going to hold hearings," but I don't see the justification on how this can happen and what our fight is. Yes, we can take an evening, come here and plead our case, and I just feel my hands are tied.

1 You know, on my choice, it's – you know, our
2 average bill is about \$450 a month for our electric
3 power. You know, our thermostat is set at 68.
4 We've got two blankets. And as we watch TV, you
5 throw a blanket over as you get cold. You know,
6 and I'll say, myself, I'm a young senior; you know,
7 I'm 62, and I can get up and do things. Five years
8 from now, or the older folks here, you know, they
9 don't have the ability a lot of times to stand up
10 and fight.

11 And I think – you know, I think the comment
12 was, "Where does it stop? What can we do?" You
13 know, everybody has already talked about
14 insulating, trying to do all this stuff, turn their
15 lights out. You know, and it is – we go from one
16 room to another and turn a light out. A lot of
17 times, I mean – when I showered to come here, I
18 didn't turn the light on. I know what I'm doing in
19 the shower.

20 [Laughter]

21 It's that thinking of where can you save,
22 because electric bills are very expensive. And
23 when you're on Social Security, \$450 a month is a
24 lot of money.

25 Thank you.

1 **CHAIRMAN RANDALL:** Thank you, sir.

2 Any questions from the parties?

3 **MS. EDWARDS:** No. Thank you for your
4 testimony.

5 **CHAIRMAN RANDALL:** Commissioners?

6 [No response]

7 Thank you. Thank you, sir. Thank you for
8 being here.

9 [WHEREUPON, the witness was excused.]

10 **MR. BOCKMAN:** Thank you. We have Richard
11 Ervin. Up next, we have DuPree Atkinson, followed
12 by Ruthie Tarlton. That's DuPree Atkinson,
13 followed by Ruthie Tarlton.

14 [Witness affirmed]

15 THEREUPON came,

16 **R I C H A R D E R V I N ,**
17 who, having been first duly affirmed, testified as follows:

18 **WITNESS:** Richard Ervin, Florence, South
19 Carolina.

20 We have two accounts with Duke Energy, first
21 at home – and I must say something congratulatory
22 to Duke, because their linemen, their technology
23 concerning letting us know when we're out of power,
24 is fantastic. My problem is with the service side.

25 On our home account, we have a surge

1 protector. We got notification two days ago that
2 the price went from \$7 a month to \$8 a month. I
3 submit to you, there was no increase in fixed cost.
4 The increase in variable cost is electrons, i.e.
5 it's pure profit. And I would ask the Commission,
6 on all these discussions, think about what they
7 want to do, what is the fixed cost they need, and
8 what variable cost are they going to charge.

9 The second part of my comments is I am a small
10 farmer, and by that I mean I have a very small
11 piece of property, I have a couple of rows of
12 blueberries, and I have a well there. Our average
13 bill is \$20, \$10 a month.

14 In November, we got a call from a service
15 representative that they'd drafted \$9700 out of our
16 checking account by mistake. They were unable to
17 refund it directly, because they have an antique,
18 obsolete billing system. I will make a few
19 comments – I have a seven-page document, along with
20 a CD of this, that I would like to give to the
21 consumer representatives.

22 My wife and I both have MBAs, so they did this
23 to the wrong family. There appears to be serious
24 ethical and substantial financial issues nearing
25 \$10,000 per incident at stake here – not only for

1 us, but for how many other customers? This is a
2 level where root-cause analysis is mandatory to
3 prevent similar occurrences. It's unlikely that it
4 was a simple electron burp that caused this,
5 because that would've been so much more than on our
6 regular charge, but this was an extraneous bill.
7 It was listed as "miscellaneous," and it was
8 entered automatically by the billing system. So
9 there was a serious programming problem that
10 existed last fall. If it was entered manually,
11 then an employee performance failure has occurred
12 to correct that situation immediately, and
13 administration needed to address that. This would
14 also not be expected to be a simple error in
15 billing practices.

16 We also noted that, in retrospect, there were
17 problems with a delay and timing of the September
18 and October bills. That, to me, is the billing
19 system went rogue last fall.

20 [3-minute signal]

21 Regardless of how it happened, it's
22 astonishing that the billing system does not have
23 billing algorithms that have – where transactions
24 or multiple unusual costs are automatically
25 referred to a human being to evaluate. The system

1 is antiquated if it cannot reverse charges once it
2 takes money out of your account.

3 So, we put all this together and I then
4 contacted the Duke Energy Office of Corporate
5 Compliance and Ethics. I'm a retired
6 administrative executive from McClellan Health over
7 15 years. I'm well used to what corporate
8 compliance and ethics should do. I e-mailed that
9 office. There was no automatic reply. You do
10 service with other e-mail programs; you get back,
11 "Thank you for your thing. Our service
12 representative..." I got nothing. My e-mail
13 program requested an immediate response that it was
14 received. I got nothing. I then received
15 absolutely nothing from that office. Okay?

16 **CHAIRMAN RANDALL:** Mr. Ervin, we're going to –
17 I'm going to need for you to wrap it up, so
18 everybody else can have a chance.

19 **COMMISSIONER ERVIN:** I have a question, Mr.
20 Chairman, if I could.

21 **CHAIRMAN RANDALL:** Well, I'm going to get to
22 the Commissioners in just a second.

23 **COMMISSIONER ERVIN:** All right.

24 **CHAIRMAN RANDALL:** Parties first.

25 **MS. EDWARDS:** Yes, sir.

CROSS EXAMINATION**BY MS. EDWARDS:**

Q Thank you, sir. I'm sure Duke would be interested in hearing – they have representatives here. But on behalf of the Office of Regulatory Staff, would you –

A [Indicating.]

Q [Indicating.] Oh, okay. Well, thank you, sir.

A Because I was about ready to send it to you, because their external corporate compliance program is also a farce. I received a secondary note saying, "Thank you for your questions. We have referred the appropriate party how to refund your check."

Q I would like to take this information. If it's a systemic billing issue, our office will, frankly, investigate. And I've got staff there. And I don't want you to give this on the record, but I would like to get your phone number so that we can reach you, but not put it on the record. Do you have just a moment that I could ask you another question?

A Absolutely.

Q One of the other areas of dispute – and you mentioned that you and your wife both hold MBAs. One of the other areas of dispute that we have with the company in this case is, basically, what we do as ORS is we will look through and do an audit or examination and then we will

1 pull out items that we think should not be paid for by
2 customers. We call them non-allowables, is what we call
3 them. Non-allowables. And for us, a non-allowable
4 would be coffee, lunches, wine, social outings, Omaha
5 steaks. Would you agree with me, as a customer of a
6 regulated monopoly, that that should not be in rates?
7 It's not being used to provide electric service. Would
8 you agree with me on that score?

9 **A** I think normal business operations require meals of a
10 reasonable amount of money –

11 **Q** Okay.

12 **A** – and a reasonable location. I don't think you can hold
13 a business without them.

14 **Q** Okay. But could that be paid for by shareholders, as
15 opposed to customers?

16 **A** I think that is normally considered, in the overall
17 scheme of business costs, and how it comes out
18 afterwards – below the line, or whatever – is, I guess,
19 debatable.

20 **Q** Debatable. And would you – well, do you think there
21 should be an overall cap, I mean, given the limited
22 funds that some residential customers have, for them to
23 have no ceiling or cap on what those expenditures might
24 be that could be passed through to customers?

25 **A** Well, I do part-time work with DHEC, and DHEC has a

1 governmental line item. If you go away, you can't go
2 over a certain amount for a hotel. If you have a meal,
3 you can't go over a certain amount. And I would expect
4 Duke to do the same thing. I don't think it's
5 unreasonable, because that's just normal business
6 practice.

7 **Q** All right. One other item. If North Carolina were to
8 impose a law that would require coal ash disposal costs
9 that are higher than what either the federal law or
10 South Carolina law would allow, would you agree with me
11 that, certainly, North Carolina customers who got to
12 vote on that law could pay those customers_[sic], but South
13 Carolina customers should not?

14 **A** I think you stated it earlier. No representation
15 without taxation, or –

16 **Q** No taxation without –

17 **A** – no taxation without representation.

18 **MS. EDWARDS:** Thank you, sir.

19 **CHAIRMAN RANDALL:** Commissioner Ervin.

20 **EXAMINATION**

21 **BY COMMISSIONER ERVIN:**

22 **Q** Richard, how long did it take you to get your money back
23 credited to your account?

24 **A** My wife immediately said, "Transfer the money back."
25 And they said, "We can't do that." My wife said, "Wait

1 a second, you're a modern utility, you're a modern
2 business. Why can't you do it?" They can't do it. So,
3 then, they were going to send a check back. They did
4 send a check back. We had to make personal appearance –
5 or, we had to use some personal contacts at the bank, to
6 make sure a \$10,000 check was not held, which would mean
7 that Duke then had two weeks of my float on the check,
8 rather than just a few days. And that is what really
9 got to us, in that they can suck that money out of your
10 account like that, and yet the billing account is so
11 antiquated, it can't simply put it back? That's unheard
12 of in today's Internet environment.

13 **Q** Did you ever hear from Duke Energy about how they
14 planned, you know, to handle this going forward, or get
15 an explanation?

16 **A** That's the reason I'm here tonight. Directly talking
17 with the – directly communicating with their corporate
18 compliance officer, that page on their website, got me
19 nothing. I then communicated with their external
20 corporate compliance program, which most big programs
21 have, because it's like an independent thing. They
22 said, "Thank you for sending this information." And
23 last week, after six weeks, the notice was, "We have
24 sent the issue to the appropriate party on refunding
25 your – on getting your refund."

1 We had no explanation, whatsoever, from middle-
2 management that other people were not going to have the
3 same thing happen to them.

4 **Q** Thanks for coming tonight.

5 **A** Thank you.

6 **CHAIRMAN RANDALL:** Thank you. Any other
7 questions from –

8 **VICE CHAIRMAN WILLIAMS:** Mr. Chairman, very
9 quickly.

10 **EXAMINATION**

11 **BY VICE CHAIRMAN WILLIAMS:**

12 **Q** Sir, I just really want to know, very simply, how long
13 did it take between the time, or from the time the money
14 was drafted out of your account until you received a
15 refund?

16 **A** Well, since it was automatic, we didn't know at that
17 point in time but have since had e-mail notification
18 immediately when the money is taken out. So it was
19 about five or six days after the money was taken out
20 that we were called. Then we looked up online and said,
21 "Oh, my goodness," what had happened? Fortunately, it
22 was the end of the year. Taxes, presents, donations.
23 We had enough money to cover that. Otherwise, our
24 credit rating would have been ruined because there
25 wasn't enough money for it to be taken out.

1 Q And so you got that money back in five days?

2 A Yeah.

3 VICE CHAIRMAN WILLIAMS: Thank you, sir.

4 CHAIRMAN RANDALL: Thank you.

5 Commissioners, any other questions?

6 Commissioner Hamilton.

7 EXAMINATION

8 BY COMMISSIONER HAMILTON:

9 Q Mr. Ervin –

10 A Yes, sir.

11 Q – did you intend for the information you gave Ms.
12 Edwards to be an exhibit in this case?

13 A Yes, sir.

14 CHAIRMAN RANDALL: Okay. We'll enter that as
15 Exhibit No. 2.

16 [WHEREUPON, the witness was excused.]

17 MR. BOCKMAN: At this point, we have DuPree
18 Atkinson, followed by Ruthie Tarlton. DuPree
19 Atkinson, followed by Ruthie Tarlton.

20 CHAIRMAN RANDALL: Okay. After these next two
21 witnesses, we're going to have to take a short break.

22 [Witness affirmed]

23 THEREUPON came,

24 D u P R E E A T K I N S O N ,

25 who, having been first duly affirmed, testified as follows:

1 **WITNESS:** Yes, my name is DuPree Atkinson.
2 I'm an agribusinessman, and I stress the word –

3 **VOICE:** Can't hear you.

4 **WITNESS:** Can you hear me now?

5 **VOICE:** No.

6 **WITNESS:** How about now? I gotta hold this
7 down [indicating]? How about now?

8 My name is DuPree Atkinson. I'm an
9 agribusinessman from Mullins, South Carolina. I
10 run a diversified farm of peanuts, row crops,
11 cattle, strawberries, and hemp. And I'm speaking
12 in opposition to this rate increase today.

13 I'm a valued CP&L – a long time ago – Progress
14 and Duke member. And I say that because I pay my
15 bills on time. I've been paying my bill for 40
16 years, and I appreciate having power and having it
17 at my use and need. But this increase is way out
18 of line.

19 I brought the copies of two meter bills from
20 two seasonal accounts that we have, and they're
21 water meters for cattle waterers. And the bills
22 only range from \$15-\$20 a month, and now they want
23 to double it, going to \$40 a month, which is just
24 absolutely absurd.

25 Utility charges should be and are like sales

1 tax; you use what – you pay for what you use. A
2 base rate increase is nothing but greed, and this
3 is a perfect example of greed. And we can't afford
4 it. We're charged for something that we are not
5 getting.

6 This bill will cost me about \$1800 a year
7 more, because I've got seven meters. And I just
8 disagree with it.

9 I would talk a little bit about my problems
10 with Duke and what I had before. I think Anthony
11 got into it a little bit. But one thing that
12 really made me angry with Duke Progress was that,
13 after all – they finally paid me after a year for
14 the loss of those tobacco barns, but they made me
15 sign a statement saying that they weren't at fault.
16 They weren't at fault. And the first thing out of
17 the guy's mouth who came to investigate was, "Why
18 didn't you have an alarm system set up that told
19 you your barns were out of electricity?" It was my
20 fault. I told that guy he was really a very good
21 Duke employee, because he was doing a good job.

22 [Laughter]

23 Thank you for your time and hearing my
24 testimony today.

25 **CHAIRMAN RANDALL:** Thank you Mr. Atkinson.

Any questions?

MS. SMITH: I've got one.

CHAIRMAN RANDALL: Ms. Smith.

CROSS EXAMINATION

BY MS. SMITH:

Q Sir, are you an MGS customer?

A Yes.

MS. SMITH: Thank you.

CHAIRMAN RANDALL: Ms. Edwards?

MS. EDWARDS: No questions.

CHAIRMAN RANDALL: Commissioners?

Commissioner Belser.

EXAMINATION

BY COMMISSIONER BELSER:

Q Good evening, Mr. Atkinson. Could you briefly give us the facts of what happened with your tobacco barn? I know someone else testified to it, but I want it from you, if you don't mind.

A We had two different meter bases, and we added some more barns, so they had to upgrade the meter. So we asked them to come in, and they replaced the transformer to the meter but they forgot to upgrade the line going to the meter base and it wasn't up to – it was a smaller wire than what it needed to be, and it burned in two, in the middle of the night. Therefore, I lost the fans on

1 my barns and I had no electric – no fan circulation, so
2 the tobacco all pretty much rotted.

3 **Q** And when did that happen, can you tell me that?

4 **A** That was probably –

5 **VOICE:** August 13th.

6 **WITNESS:** August 13th of – August 13th of, not
7 this past year, the year before.

8 **COMMISSIONER BELSER:** Okay. Thank you, very
9 much.

10 **WITNESS:** Thank you.

11 **CHAIRMAN RANDALL:** Thank you. Commissioners,
12 any other questions?

13 **COMMISSIONER WHITFIELD:** Mr. Chairman.

14 **CHAIRMAN RANDALL:** Commissioner Whitfield.

15 **EXAMINATION**

16 **BY COMMISSIONER WHITFIELD:**

17 **Q** I've got one quick question for you, Mr. Atkinson. The
18 amount you said your bill would go up, roughly an \$1800
19 increase on everything you've got, is that for if the
20 full proposed increase –

21 **A** That's correct, yes, sir. The full proposed \$20 a
22 meter, yes, sir.

23 **COMMISSIONER WHITFIELD:** That's all I have,
24 Mr. Chairman.

25 **CHAIRMAN RANDALL:** Thank you.

Any other Commissioner questions?

VICE CHAIRMAN WILLIAMS: Mr. Chairman, very briefly.

CHAIRMAN RANDALL: Commissioner Williams.

EXAMINATION

BY VICE CHAIRMAN WILLIAMS:

Q Sir, I'm just very interested in what actually happened by way of Duke's response to your barn situation. So I just want to make sure I understand correctly. So, August 13th, the incident occurred.

A At night.

Q At night.

A Yes.

Q The result of the incident was that your tobacco rotted?

A They didn't have any air circulation in the barns and, therefore, they stayed without air for basically about six hours, and the tobacco rotted.

Q I understand. What was the value of that crop, or whatever was in your barn?

A I think was right around fifty-some, sixty thousand dollars, total.

Q Fifty thousand [\$50,000) to sixty thousand dollars [\$60,000]. And so your testimony is you didn't get compensation for that until 12 months later?

A Oh, no. It was – it was not a year. It was, what,

1 about six or eight months later, after complete haggling
2 every week.

3 **Q** Did you get the full amount?

4 **A** Yeah, finally. I got the full amount. But they didn't
5 offer me that to start off with.

6 **Q** Initially?

7 **A** Ini- —

8 **Q** Did you have to hire a lawyer?

9 **A** I threatened them with that, and they finally came to
10 the table.

11 [Laughter]

12 **Q** What difficulty did that cause you in your farm
13 operation?

14 **A** Well, it caused a — I mean, any time you lose that
15 amount of money that you're expecting to get at a
16 certain time, and in agriculture we have a certain pool
17 of money that we have available to us, and then you lose
18 that money for six months, it takes — you have to move
19 your money around, like Hugh was talking about a little
20 while ago.

21 **Q** And you explained all that to the company?

22 **A** I did.

23 **Q** Thank you, sir.

24 **A** Thank you for hearing my testimony.

25 **CHAIRMAN RANDALL:** Any other questions,

Commissioners?

[No response]

Thank you, Mr. Atkinson. Appreciate your testimony. Okay. Is that – do you want to put these bills, Mr. Atkinson, in as evidence?

WITNESS: Yes.

CHAIRMAN RANDALL: Okay. We'll enter those as Hearing Exhibit No. 3.

[WHEREUPON, Hearing Exhibit No. 3 was marked and received in evidence.]

[WHEREUPON, the witness was excused.]

[Witness affirmed]

THEREUPON came,

R U T H I E T A R L T O N ,

who, having been first duly affirmed, testified as follows:

WITNESS: Ruthie Tarleton, 101 Saddlebrook Road, Cheraw, South Carolina.

I'm here this afternoon to address the Commissioners and anyone else involved. I am a retired educator and a retired farmer. We ask that you please do not grant this request for a rate increase. And I do have signed petitions here, for whomever I need to give them to.

In 1969, Carolina Power & Light, which is now Duke Energy Progress, we had an ice storm. They

1 told us that our bills would increase from \$15 to
2 \$35, because they were doubling the rates because
3 they were going to put the lines underground.

4 Well, along came 1970, 1980, 1990. Each year, we
5 got a rate increase.

6 Now, I don't understand what's going on, but
7 we don't get that kind of money. And we need your
8 help. Whenever we look at these rate increases –
9 and by 1990, we were already up in the \$200s. And
10 now our light bills are from \$300 to over \$500 –
11 mine being one over \$500, and that's why I'm here
12 today.

13 We cannot afford this. So, please, gentlemen
14 and ladies, please be kind to us and talk to these
15 people. When a person can get a \$200,000-\$300,000
16 salary, a year, they might be able to pay these
17 bills, but we cannot do it. Please help us.

18 Thank you for your attention. Do you need
19 these petitions? I need to give them to somebody.

20 **CHAIRMAN RANDALL:** We'll take – you can give
21 them to Mr. Richardson.

22 **WITNESS:** [Indicating.]

23 **MR. RICHARDSON:** [Indicating.]

24 **CHAIRMAN RANDALL:** Let me get any questions
25 from the parties.

[No response]

WITNESS: Thank you so much for your time.

CHAIRMAN RANDALL: Thank you. Hang on one second, let me see if any Commissioners have any questions, Ms. Tarlton.

Any Commissioner questions?

COMMISSIONER WHITFIELD: Mr. Chairman.

CHAIRMAN RANDALL: Yes, sir, Commissioner Whitfield.

EXAMINATION

BY COMMISSIONER WHITFIELD:

Q Ms. Tarleton, that bill you quoted as \$500, is that just on your residential use? Because you said you were a farmer, too.

A Yeah, but that's just on my residence.

Q That's just on your residence.

A Just on my residence. And I almost fainted, because –

[Laughter]

– I'm disabled, and I only get a fixed income. And I'm saying, "Wait a minute." And this happened back in December. Now, if you guys give them another rate increase, what am I going to do? I can't eat now.

Please help us, okay? Thank you. Thank you for your time?

[Applause]

1 **CHAIRMAN RANDALL:** Thank you, ma'am. We're
2 going to enter – we're going to put those sheets as
3 Exhibit No. 4.

4 [WHEREUPON, Exhibit No. 4 was marked and
5 received in evidence.]

6 [WHEREUPON, the witness was excused.]

7 Okay. We're going to take about a 10-minute
8 break. Thank you. And we'll reconvene in 10
9 minutes.

10 [WHEREUPON, a recess was taken from 7:34
11 to 7:43 p.m.]

12 **CHAIRMAN RANDALL:** Okay. If we can ask
13 everybody please to sit down. And Ms. Edwards, I
14 know we've got a couple of preliminary matters
15 before we get started again.

16 **MS. EDWARDS:** Yes, thank you, Mr. Chairman. I
17 apologize –

18 **CHAIRMAN RANDALL:** If we can please have
19 everybody please be quiet?

20 **MS. EDWARDS:** I apologize. When this – at the
21 very beginning, normally we ask to move into the
22 record the sign-in sheets, and I apologize I forgot
23 to do so at that time. So, if I may ask now that
24 the sign-in sheets from tonight be the next hearing
25 exhibit?

1 **CHAIRMAN RANDALL:** I had a question to ask you
2 that, so we will enter the sign-in sheets as
3 Hearing Exhibit No. 5.

4 **MS. EDWARDS:** Thank you, sir.

5 **CHAIRMAN RANDALL:** We had one other thing we
6 needed to get into the record, also. Mr. Bowen?

7 **MR. BOWEN:** Mr. Chairman, there was a letter
8 from Ms. Smith to the Commission. And it was put
9 in the docket file, but I don't think it was made
10 an exhibit, and we'd like to have it made an
11 exhibit. It's a letter from her to Ms. Boyd, dated
12 March 26th – and I'll hand up a copy – March 26,
13 2019. I've shown it to Josh.

14 And it talks about the meter amount being
15 reduced. The only thing I would like to point out,
16 with respect to this letter – and she pointed it
17 out, as well – that I think there was a –
18 "misunderstanding" may not be the right word. But
19 there was a thought that the farmers who we were
20 talking about were primarily under the small
21 general service, but you've heard the testimony
22 today that they're also under the medium general
23 service. And the medium general service was not
24 given the reduction as the small general service
25 does, according to this [indicating].

1 **CHAIRMAN RANDALL:** All right. So we will
2 enter that letter as Hearing Exhibit No. 6. Thank
3 you.

4 [WHEREUPON, Hearing Exhibit No. 6 was
5 marked and received in evidence.]

6 Okay. Mr. Bockman, let's call our next
7 witness, please.

8 **MR. BOCKMAN:** Absolutely.

9 Thank y'all. Our next three witnesses, so
10 please do move toward the podium, are Lillian
11 Walker, Gill Rogers, and Rutha Frieson. Lillian
12 Walker, Gill Rogers, and Rutha Frieson.

13 [Witness affirmed]

14 THEREUPON came,

15 **L I L L I A N L . W A L K E R ,**

16 who, having been first duly affirmed, testified as follows:

17 **WITNESS:** I'm Lillian Walker, Laurens County.
18 And I'm here representing Pee Dee Community Action
19 Agency Partnership, and thank you, Commissioners,
20 for listening to us today.

21 Basically, there's 1000 community action
22 agencies from across the country, including Pee
23 Dee. These communities, that means that we fall
24 under current federal poverty guidelines, which is
25 \$27,750 for a family of four. Working poor. It's

1 on our behalf that we speak today – it's on behalf
2 of the community that we speak today.

3 Many of those families cannot afford their
4 utilities and are on some type of deferred payment
5 plan, but those programs only go so far. We work
6 with these families to try to get their finances
7 under control, to stabilize them in a home, and to
8 get them educated and ready for a living-wage job.
9 These families are literally barely surviving from
10 paycheck to paycheck. Any increase in utility
11 costs will push them into further poverty.

12 Any increase could lead to a practice, some
13 which have deadly consequences: unsafe heating
14 practices, using a space heater or a gas stove to
15 heat the home; carbon monoxide poisoning and fires,
16 deadly or leading to homelessness; having utilities
17 turned off for lack of payment; a landlord aborting
18 a lease as a result of no utilities; entering
19 unsafe temperatures during the winter and summer
20 months; poor health outcomes, including death;
21 death, illness due to exposure to the elements;
22 becoming a victim of crimes due to having no safe
23 place to sleep; increased number of children in DSS
24 custody; increased number of children in –
25 increased number of elderly in DSS custody.

1 Pee Dee Community Action spends about \$1.5
2 million per year in federal funds, LIHEAP, which is
3 the Low-Income Home Energy Assistance Program,
4 federal program, that provides assistance for
5 families to pay their heating and cooling bills.
6 Nationally, four out of five households that
7 receive this funding either have a senior citizen
8 in the home, a disability person in the home, or a
9 child under the age of 18.

10 However, this money is not an entitlement.
11 Funding is limited, and we do run out. Families
12 are eligible for a one-time assistance per year,
13 and twice under several – under special
14 circumstances. On an average, we list about 125
15 new clients in LIHEAP every month. Toward the end
16 of the year, we have to turn away, conservatively,
17 20 percent of the families that apply for
18 assistance.

19 We would like to thank Duke for providing
20 community resources through the Share the Warmth,
21 as well as options for people to sign up for
22 prepayment plan; however, the programs only go so
23 far. Where those programs fall short under LIHEAP
24 steps –

25 [3-minute signal]

1 But the only question today as a personal
2 customer of Duke Energy: Is this really a
3 regulated monopoly or is this monopolist
4 enslavement? Thank you.

5 CHAIRMAN RANDALL: Thank you, Ms. Walker.
6 Questions from the parties?

7 CROSS EXAMINATION

8 BY MS. EDWARDS:

9 Q Thank you for coming out today. Could you clarify for
10 me, so, do you work for a community action –

11 A I'm an employee of Headstart.

12 Q Okay. And you're here tonight to describe what you
13 would see as the impact to –

14 A What we see and what we serve.

15 Q Okay. And –

16 A And whom we serve. Excuse me.

17 Q And who you serve? I mean, there's never a good time
18 for a rate increase, you would agree, right?

19 A Uh-huh. It's never a good time, and only because when
20 you talk about these people only have one choice of a
21 provider, that's why we say it's a regulated monopoly,
22 but I don't have a choice, or most customers don't have
23 a choice as a provider because Duke Energy is our only
24 provider.

25 MS. EDWARDS: Thank you for your testimony.

1 **CHAIRMAN RANDALL:** Thank you, Ms. Edwards.

2 Commissioners, any questions? Commissioner

3 Howard.

4 **EXAMINATION**

5 **BY COMMISSIONER HOWARD:**

6 **Q** Thank you for your testimony. Ms. Walker, how much
7 money do you distribute monthly for people, helping to
8 pay their utility bills, their electric bills?

9 **A** I didn't bring a number with you; I just brought the
10 yearly number that came from our office.

11 **Q** Just give me a rough guess. Can you give me – I don't
12 have any idea.

13 **VOICE:** Two hundred.

14 **WITNESS:** About \$200,000 a month.

15 **BY COMMISSIONER HOWARD:**

16 **Q** Two hundred thousand [\$200,000] a month? About how many
17 clients does that encompass?

18 **VOICE:** A hundred and fifty to a hundred and
19 seventy-five clients, because the bill is so high.

20 **WITNESS:** She said 150 to about 200 clients.

21 **COMMISSIONER HOWARD:** Okay. Thank you.

22 **CHAIRMAN RANDALL:** Thank you. Commissioner
23 Hamilton.

24 <

25 <

EXAMINATION**BY COMMISSIONER HAMILTON:****Q** Do you represent a county or a region?**A** Florence County, Marion County, and Dillon County.**Q** Florence and Dillon?**A** Florence, Marion, and Dillon.**COMMISSIONER HAMILTON:** Thank you.**CHAIRMAN RANDALL:** Commissioners, any other questions?

[No response]

Thank you, Ms. Walker, so much.

[WHEREUPON, the witness was excused.]

MR. BOCKMAN: Up next we have Gill Rogers, Rutha Frieson, and Terry James. Gill Rogers, Rutha Frieson, and Terry James.

[Witness affirmed]

THEREUPON came,**G I L L R O G E R S ,**

who, having been first duly affirmed, testified as follows:

WITNESS: I'm Gill Rogers. I live in Hartsville, South Carolina. I farm in two counties with my two sons.

We have 42 power bills: Thirty of them belong to Duke, two belong to other co-ops. We have a good bit of irrigation systems. We started

1 irrigating earlier than most people. We have 30-
2 something irrigation systems. We also have two
3 grain facilities and a peanut-drying facility.

4 We use a lot of power. We don't have a
5 choice. The subject came up early about using
6 diesel. We started off with diesels and the size
7 of our operation and the low amount of manpower we
8 have, we found diesels to be inefficient and unable
9 to control.

10 We are against any rate increase of any type.

11 When I first started farming, I walked into a
12 store and I heard somebody say, "Nobody farms
13 anymore but fools and old people." Well, it's run
14 by a different set of old people and a different
15 set of fools, now, but it's the largest industry in
16 the State. In '87, half the farmers in our County
17 went out of business.

18 We are facing, now, out of the last five
19 years, three years of loss, two years of terrible
20 floods, and two hurricanes. And my banker is
21 looking at me and wondering, "What are you
22 thinking?" So we're at the point of no return for
23 a lot of people. I have people calling me all the
24 time, wanting to rent land to me, because either
25 older people have quit or younger people have quit

1 and retired. We don't need another rate increase.

2 **CHAIRMAN RANDALL:** Thank you, Mr. Rogers.

3 Parties, questions.

4 **CROSS EXAMINATION**

5 **BY MS. SMITH:**

6 **Q** I have one question, sir. Are you on the MGS rate?

7 **A** I have a list of bills and I'm on different rates for
8 different ones.

9 **MS. SMITH:** Okay. Thank you.

10 **CHAIRMAN RANDALL:** Ms. Edwards?

11 **CROSS EXAMINATION**

12 **BY MS. EDWARDS:**

13 **Q** Thank you for your testimony tonight. Would you say
14 that the farming community is – with this increase –
15 would be on the verge of several farmers going out of
16 business?

17 **A** Most farmers right now are wrestling with the losses of
18 2018, dealing with bankers and crop insurance, so a lot
19 of them will not be refinanced. This will just be
20 another brick on the load.

21 **MS. EDWARDS:** Thank you, sir.

22 **CHAIRMAN RANDALL:** Commissioners.

23 **VICE CHAIRMAN WILLIAMS:** Mr. Chairman?

24 **CHAIRMAN RANDALL:** Commissioner Williams.

25 <

EXAMINATION**BY VICE CHAIRMAN WILLIAMS:**

Q Sir, thank you for being here and thank you for your testimony. Considering that you have so many meters, I'm curious about level of customer service that you receive in running your operation. Could you tell me a little bit about your customer-service experience over the years with Duke?

A This is my fiftieth year. We started off with Carolina Power & Light Company and Progress Energy, and now Duke. I almost hate to say this, but if I didn't let some of these people hunt, I wouldn't know who to call when we have power outages. We have a lot of electrical storms and things, and nobody to call that you'll get any response. These people that I know don't respond, but they call the person that can help me get things back running. The service has declined over the years, particularly since Duke took over.

Q I just want to make sure I understand your testimony correctly. Are you saying that, when you have a power outage, you reach out to some folks who you let hunt on your property?

A When I have a power outage, I call the 1-800 number, and they go to Raleigh. If I don't get any response over a period of time and I get desperate to get things back

1 running – it could be anything; it could be grain bins.
2 Mostly due to electrical storms. And we're spread out
3 over 45 miles; you're going to get electrical storms and
4 you'll get outages. But if we can't get – if I can't
5 get anybody else to respond – and that's pretty
6 frequent – I know who to call, and they know who to
7 call.

8 **VICE CHAIRMAN WILLIAMS:** I gotcha. All right.
9 Thank you.

10 **CHAIRMAN RANDALL:** Commissioners.

11 [No response]

12 Other questions?

13 [No response]

14 Mr. Rogers, thank you very much for your
15 testimony.

16 **WITNESS:** Thank you.

17 [WHEREUPON, the witness was excused.]

18 **MR. BOCKMAN:** We now have Rutha Frieson,
19 followed by Terry James and William Kelley, you're
20 on deck. Rutha Frieson? Terry James and William
21 Kelley, you're on deck.

22 [Witness affirmed]

23 THEREUPON came,

24 **R U T H A F R I E S O N ,**
25 who, having been first duly affirmed, testified as follows:

1 **WITNESS:** Rutha Frieson, Lake City, South
2 Carolina, Florence County.

3 I came as a voice for everyone like me. I'm a
4 residential customer with Duke, and for the many
5 widows and single parents, well, I'm a widow, and I
6 started working since high school and have been
7 retired now for two years. So I want to be able to
8 enjoy my retirement, so, you know, when I heard
9 about the increase – and so I signed up to speak
10 tonight, because I can't grumble about something if
11 I don't say anything. So, I – you know, I've heard
12 from the many farmers and what they've said, and we
13 do know that as farming decrease, then food prices
14 will increase, and they are increasing anyway.

15 So I don't get – because I'm a widow – my
16 husband worked for CSX, so they didn't pay in
17 Social Security. And so, because I'm a widow, you
18 know, whenever I put my monthly income and, you
19 know, my check is higher than Social Security, I
20 can't get any public assistance, so, I have a
21 mortgage, I just bought a new car, and a student
22 loan. I'm a senior citizen but I'm still paying a
23 student loan, because I was a late bloomer, going
24 to college. And so, you know, people look at
25 whatever you're getting in gross, but they aren't

1 looking at what you're having to pay, your bills.

2 So I just came tonight, just as a voice for
3 the many different ones who are like me, on fixed
4 income. I'm on the school board in Florence School
5 District 3 and so there are so many parents who are
6 struggling, and there are so many children, you
7 know, and we're trying to help feed them, you know,
8 whenever school is out. So I just want to say
9 that, you know, we – Duke needs to look at a
10 different solution. I'm debating whether I want
11 solar panels. I heard somebody say that they were
12 working for him, for them. So I just want to make
13 a plea to you all to try to find another solution.

14 Thank you, so much.

15 **CHAIRMAN RANDALL:** Thank you, Ms. Frieson.

16 Parties, questions?

17 [No response]

18 Commissioners?

19 [No response]

20 Thank you, ma'am. Appreciate you being here.

21 [WHEREUPON, the witness was excused.]

22 **MR. BOCKMAN:** We've got Terry James up next,
23 followed by Don Atkinson and Dora Truett. That's
24 Terry James, followed by Don Atkinson and Dora
25 Truett.

[Witness affirmed]

THEREUPON came,

T E R R Y J A M E S ,

who, having been first duly affirmed, testified as follows:

WITNESS: My name is Terry James. I am a resident of Florence County, lower Florence County. I've been in Florence all my life, and most times I'm advocating for things that need to be advocated.

I'm here a little bit different. I grew up on a farm, still live on that same farm. But I'm not farming, because black farmers went out long many years ago. The reason I'm here is I'm speaking for the elderly, those who are on fixed incomes, and mainly for the African-American communities.

On average, on the average, the African-American community don't have the income that other communities have. Even from some of the storms that came through, they were unable to even fix their roofs, so you can see a lot of – if you ride through the community, you see a lot of blue tarps on houses. So that's telling you these people are struggling. Who wants a leaky house, if they can afford to pay for it?

So I don't know what all this stuff is that

1 Duke's trying to increase, but I do know the pain
2 that these communities feel. They're struggling,
3 communities struggling, elderly people, black and
4 white, they can't afford to have another debt on
5 top of them. Just like the gentleman said earlier,
6 they tried to raise taxes on \$198,000, and the
7 voters voted it down, because they can't afford it.
8 You know, yeah, we got some folks that live well in
9 Florence but also, on the other end of that, you've
10 got some folks that are really struggling, trying
11 to make ends meet. One said earlier, trying to
12 figure out, "What do I do? Do I buy my medication?
13 My children need shoes." You know, what do you do?

14 I have three children. Two are in college.
15 You know, so we've got to pay tuition. We're in
16 that place where we don't get any assistance; we've
17 got to pay tuition, and it's tough. And then if we
18 get another increase – you know, we're trying to
19 better ourselves. If we get another increase, what
20 will that do for a family like myself and other
21 people who are in my position, who, actually, some
22 of them are 10 times worse than myself?

23 You know, I attend a small church and
24 sometimes people come and ask for help to pay the
25 utilities. And I talk with other members of other

1 churches who are larger churches, and they have
2 even more people coming asking for assistance. You
3 know, if you don't have to – because we're in the
4 Pee Dee area. This ain't no bowl of wealth here.
5 If you're in Greenville or Columbia area, you know,
6 at the beach or down in the lowcountry, you know,
7 they're making – they're living a lot better than
8 what we are in the Pee Dee. We're struggling here
9 in the Pee Dee. These storms – some people are
10 still having some – haven't recuperated from the
11 storms we've had here. So now to hit them on top
12 of the head, they feel like "What the heck? You
13 know, why even live," you know, because it's tough.
14 It's not like, you know, we can afford it and we're
15 playing games with you. It's real. People are
16 struggling for real. They're having issues with
17 economics for real, you know,

18 [3-minute signal]

19 And I won't take any more of your time.
20 You've got other folks. But, you know, I just
21 thank you for listening to me, and hopefully,
22 preferably, you know, for us who are struggling
23 making ends meet and trying to improve our quality
24 of life, if it's not necessary, you know, because
25 we don't make the big money here. Some of us do,

1 but I'm not one of them.

2 **CHAIRMAN RANDALL:** Thank you, Mr. James.

3 Appreciate it. Hang on one second.

4 Any questions from the parties?

5 [No response]

6 Commissioners, any questions?

7 [No response]

8 Thank you, sir, appreciate you being here.

9 [WHEREUPON, the witness was excused.]

10 **MR. BOCKMAN:** We have Don Atkinson, Dora
11 Truett, and Vera Cribb. Don Atkinson, Dora Truett,
12 and Vera Cribb.

13 [Witness affirmed]

14 THEREUPON came,

15 **D O N A T K I N S O N ,**
16 who, having been first duly affirmed, testified as follows:

17 **WITNESS:** Don Atkinson, Hartsville, South
18 Carolina.

19 I just want to go to the very top, to start
20 with. I understand that the Public Service
21 Commission does not set the administrative rates
22 for Duke. I understand that quite well. But,
23 let's – starting at the top, because I'm a little
24 confused, unless the *Florence Morning News* and *The*
25 *State Newspaper* is incorrect, the CEO of Duke went

1 from approximately \$11 million a year, to \$21
2 million. If I'm incorrect, correct me. According
3 to the paper. That is pure and simple greed,
4 spelled with a big G, capital G. Greed in excesses
5 is what that is. And that's where y'all come in.
6 Y'all can handle this. I know you don't set the
7 rate, but you can say, "Let's see what Duke does
8 with their money."

9 Not only am I a residential customer; I'm a
10 stockholder. But regardless of that, I'm still
11 more concerned about the people. We have a 23
12 percent poverty rate in the State of South
13 Carolina. Twenty-three percent of our people go
14 hungry or homeless, in South Carolina, alone. And
15 excess – let's go to excess. Nine dollars' base,
16 to twenty-nine? Two hundred and some percent?
17 Come on. My God, who would want – give me a 3
18 percent raise a year in my Social Security and my
19 pension from Sonoco, where I took early retirement
20 at 55. Give me 3 percent, I'll clap and run around
21 the room.

22 [Laughter]

23 What they're asking for – and here is the
24 answer. By the way, I'm a very small person, but I
25 have the answer to that \$10 million raise. Here's

1 a simple answer. Let's make the Board of Directors
2 of Duke blue-collar workers, people that know what
3 \$50,000-\$60,000 a year is, and not what \$10 million
4 is. I don't — I can hardly write the zeroes down
5 on \$10 million.

6 [Laughter]

7 And listen, we're not talking about a tech
8 company, but a public utility. We're not talking
9 about an Amazon. We're not talking about Facebook.
10 We're talking about an approximately \$65 billion
11 capitalization company. Not a Facebook or Amazon
12 or not that. And a public utility. I promise you
13 that if Duke has good vice presidents, if Duke
14 Power has good vice presidents, I'll guarantee you
15 can give them that CEO's job for \$5 million a year,
16 and they would jump at it. I would if I was a vice
17 president.

18 [Laughter]

19 [3-minute signal]

20 So, I'm totally against this increase. It's
21 excessive, it's greed, it's taking from people that
22 don't have, it's taking from people like Mr. Rogers
23 that's trying to make produce, and produce for the
24 rest of the State that can't. I can't produce a
25 tomato, but he's producing. And we're just —

1 **CHAIRMAN RANDALL:** Thank you, Mr. Atkinson.

2 **WITNESS:** I urge y'all – I urge you with all
3 my heart, please think about this rate increase.

4 **CHAIRMAN RANDALL:** Thank you, sir. Questions
5 from the parties.

6 [Applause]

7 **CROSS EXAMINATION**

8 **BY MS. EDWARDS:**

9 **Q** Thank you for your testimony, Mr. Atkinson. You
10 referenced the CEO compensation.

11 **MS. EDWARDS:** May I approach the witness?

12 **CHAIRMAN RANDALL:** Sure.

13 **MS. EDWARDS:** I have a copy for opposing
14 counsel.

15 [Document distributed]

16 **BY MS. EDWARDS:**

17 **Q** [Indicating.]

18 **A** [Indicating.]

19 **Q** Could you turn to page 40 and – oh, you don't have your
20 glasses on you? Oh, dear.

21 **A** I have 20/20 vision from here to there [indicating],
22 but –

23 **Q** Well, I'll tell you what. I was going to ask if you
24 were going to – let me ask you this question. I'm
25 holding in my hands the Schedule 14A filed with the SEC,

1 and this is dated in March of – March – well, it's March
2 of 2017. Excuse me, March of 2018. And I'm looking at
3 the section entitled "One time performance-based
4 retention grant," and in it, it goes, "Ms. Good is
5 entitled to a one-time performance-based retention grant
6 valued at \$7 million," but in order to earn the \$7
7 million grant – it's a grant of equity – these grants
8 are subject to the caveat that a return-on-equity goal,
9 which, if not achieved, results in a zero payout, over
10 the 2017-through-2019 period must equal or exceed 10
11 percent.

12 You mentioned the \$21 million. Were you aware that
13 \$7 million of that \$21 million payout is related to
14 whether or not the company – is related to a \$7 million
15 one-time bonus, if you will, or grant?

16 **A** I was not aware.

17 **Q** Okay.

18 **A** I was quite aware of the two newspapers that –

19 **Q** About the \$21 million?

20 **A** Absolutely.

21 **Q** Okay. Were you aware that this is related to the caveat
22 of having to earn and either – must equal or exceed 10
23 percent return-on-equity?

24 **A** No, but I'm not surprised.

25 **Q** Okay. Thank you, sir.

1 **A** Thank you.

2 **CHAIRMAN RANDALL:** Thank you.

3 Commissioners, any questions?

4 [No response]

5 Thank you, sir, appreciate you being here
6 tonight.

7 [WHEREUPON, the witness was excused.]

8 **MR. BOCKMAN:** Thank you. At this point, if we
9 could have Dora Truett, if they're in attendance,
10 followed by Vera Cribb, and then Heather Berger_[sic].
11 That's Dora Truett, Vera Cribb, and then Heather
12 Berger_[sic] on deck.

13 [Brief pause]

14 I'm going to say those again one more time,
15 loudly. Dora Truett, Vera Cribb, or Heather
16 Berger_[sic], your time to speak is now. If not, we'll
17 move on to Curtis Harrison – oh, yes, please.

18 [Witness affirmed]

19 THEREUPON came,

20 **V E R A C R I B B ,**

21 who, having been first duly affirmed, testified as follows:

22 **WITNESS:** Vera Cribb, 5217 Orchard Road,
23 Mullins, South Carolina.

24 I stand today – when I received the notice
25 that there was going to be an increase on the

1 electric, I became aware that in 2013 –

2 **COMMISSIONER HAMILTON:** Mr. Chairman, could
3 you direct the witness to speak up?

4 **CHAIRMAN RANDALL:** Speak a little louder.

5 **WITNESS:** Okay. I became a widow in 2013. My
6 husband used to work for Progress Energy, and he
7 passed in 2013. I was a former educator for 15
8 years, forced to retirement because of disability
9 on the job. The case last for about – last for
10 about five years; it came out on last year. They
11 placed me on disability and Social Security. And
12 as I've heard many people state, that Social
13 Security is only a limited amount of income. Even
14 when I was an educator, I never made over \$20,000 a
15 year as an educator, and there were times I had to
16 go to other places for sources for my income, for
17 the electric. But now that I'm on Social Security,
18 that increase will be devastating for me. Most of
19 you know Social Security doesn't get increases that
20 often. Less than \$1000 a year. Out of the \$1000,
21 you have to pay your Medicare, all your other bills
22 and expenses. And because of the disability and
23 the accident, I have several medical bills that
24 have to be paid. And I heard somebody said you
25 have to set your priorities. So, we know

1 priorities is eating, your electricity, and your
2 other bills have to just wait and you just pay them
3 along and along. So for this increase – for this
4 to happen would be devastating.

5 I ask you to consider, even the area that we
6 live in, Social Security says that you can work,
7 but you can only work part-time. That still is not
8 enough income because if you make anything over
9 than that, then they cut that. So you stay within
10 the certain guidelines to make sure that other
11 things are taken care of. So I ask you, that
12 increase is very outrageous. And not only
13 outrageous because it's such a great amount; I can
14 look at a little bit of increase, but this is a big
15 increase. So I say that this is terrible. I think
16 that you need to consider those that have certain
17 incomes. I looked at those that some – it might
18 not affect them because they have a three point – a
19 three average income, but most of us here in South
20 Carolina don't make that kind of money. And most
21 people in our area have moved to Charlotte, most of
22 them have moved to Greenville. They've left the
23 area because there's no jobs there. They have to
24 go to Florence or they have to go to Charlotte, or
25 Charleston.

1 And so for you to ask that increase, I think,
2 is very unfair. I think it's devastating, and I
3 think you need to reconsider it and make some other
4 options. Thank you.

5 **CHAIRMAN RANDALL:** Thank you, Ms. Cribb.

6 Parties, questions?

7 [No response]

8 Commissioners? Commissioner Ervin.

9 **COMMISSIONER ERVIN:** Thank you, Mr. Chairman.

10 **EXAMINATION**

11 **BY COMMISSIONER ERVIN:**

12 **Q** Ms. Cribb, when we had our public hearings in
13 Greenville, Spartanburg, and Anderson in another docket,
14 but a related docket, we had a lot of folks tell us how
15 their prescription medications have gone up in price.

16 **A** Yes.

17 **Q** And they were having a hard time paying for the
18 prescription medications monthly. Have you heard that,
19 or have you experienced that, as well?

20 **A** I experienced that, even before I got disabled.
21 Prescription drugs are – they are too expensive. I
22 think that they're pocketing money. I think that they
23 need to lower the prescriptions or make possible for
24 those that are on prescriptions to make it available for
25 them. I switched this year to another carrier, and

1 they're helping me a little bit with that, but I'm still
2 having to come out of pocket to pay for the
3 prescriptions that I need, and there are – they're many.

4 **Q** I appreciate you coming and sharing with us this
5 evening.

6 **A** Thank you.

7 **CHAIRMAN RANDALL:** Thank you.

8 Any other questions, Commissioners?

9 [No response]

10 Thank you, Ms. Cribb.

11 [WHEREUPON, the witness was excused.]

12 **MR. BOCKMAN:** At this point, if Heather
13 Berger_[sic] is in attendance, it's now your time to
14 speak, followed by Curtis Harrison and Charles
15 McElveen.

16 [Witness affirmed]

17 THEREUPON came,

18 **H E A T H E R B A R G E R ,**

19 who, having been first duly affirmed, testified as follows:

20 **WITNESS:** I'm Heather Barger, from Mullins,
21 South Carolina.

22 My plea to the Commissioners is to think about
23 the economic impact that Duke's actions has on
24 South Carolina. I'm a proud citizen of South
25 Carolina but I am actually from Ohio, originally,

1 and the North has a reputation for having the high
2 cost of living. But I was shocked when I came down
3 here. The cost of living is staggering. It is
4 very difficult to get out of a certain situation
5 with the utility bills in South Carolina. Up
6 north, my highest bill doesn't even compare to the
7 lowest bill I've received from Duke Energy. I used
8 to have a panic attack when I received a bill for
9 \$75 in a small home. With Duke, it's ridiculous.
10 I've had bills that were \$200 in a small home, and
11 this is after doing all their information and their
12 condescending reports about cutting everything out.
13 Not using hot water, not using hot water for
14 laundry, winterizing your home, getting it
15 insulated, getting new windows, I've done all these
16 things and it doesn't lower the bill. So I'm
17 asking, what am I paying for? Because, for me, a
18 day of self-indulgence involves a wintertime in the
19 home with 65 degrees or in the summertime where
20 it's only 84 degrees in the house, because I just
21 can't do it. I can't do any of it. But I live in
22 Marion County, and the government numbers say that
23 our County has the highest rate of people using
24 government assistance. And in an unrelated study
25 also from the government, we also have the highest

1 rate of health problems. So we're economically
2 vulnerable, we're also vulnerable to extremes in
3 weather.

4 And I would like to say that it's not so much
5 about the profit; it's the fact that us consumers
6 are paying for the mistakes of Duke, the
7 environmental mistakes. As of just a few hours
8 ago, the *Washington Post* is telling us that we can
9 expect – us consumers in the Carolinas – can now
10 expect to pay billions more because North Carolina
11 has just ordered Duke to excavate coal ash from all
12 the sites in North Carolina. And this is to
13 protect people from the coal ash as a result of the
14 coal burning and the 2014 spill in the Dan River,
15 and these chemicals also include mercury and
16 arsenic that is poisoning our waterways. Why
17 should the consumer pay even one penny toward that
18 negligence, towards that spill? The consumer
19 should not pay a single dime for that.

20 And I also do not want to be a Luddite, an
21 unwilling Luddite, living in the eighteenth century
22 or the third world. The CEO can make as much money
23 as she wants, but she doesn't have to hang her
24 towels out or not use lighting or –

25 [3-minute signal]

1 – heat. Thank you.

2 [Applause]

3 **CHAIRMAN RANDALL:** Thank you, ma'am.

4 Questions from the parties?

5 **CROSS EXAMINATION**

6 **BY MS. EDWARDS:**

7 **Q** Thank you for your testimony tonight. You just
8 mentioned a news article with regard to North Carolina
9 and an additional requirement placed on Duke with regard
10 to shutting down or treating coal ash ponds differently.
11 Were you here earlier at the beginning of the night
12 hearing?

13 **A** I couldn't hear. I was in the overflow room.

14 **Q** You were in the overflow, okay. One of the – let me see
15 if I can say this. One of the positions or one of the
16 disputes between my office, the Office of Regulatory
17 Staff, and Duke Energy Progress, is how much customers
18 should have to pay for coal ash disposal costs. And I
19 believe you testified it's your position that it should
20 be zero.

21 **A** [Nodding head.]

22 **Q** Is that correct? You have to answer.

23 **A** Yes, that's correct.

24 **Q** Okay. To the extent that North Carolina passes laws or
25 their environmental agency issues requirements – North

1 Carolina's environmental agency issues requirements –
2 would you agree with me that North Carolina customers
3 should pay for those additional requirements, not South
4 Carolina customers?

5 **A** I can only say that I don't believe any of the customers
6 should pay for the environmental spills.

7 **Q** Fair enough.

8 **A** Thank you.

9 **Q** I'm sorry, I'm not going to let you go quite yet. Just
10 one more series of questions. You were mentioning that
11 you're in Marion County? And you mentioned that you
12 have a fairly high monthly bill, despite taking energy
13 saving measures?

14 **A** Yes.

15 **Q** Okay. One of the questions I had is – I was familiar,
16 because of our office working throughout hurricanes, we
17 get called up. What was your power – did you have
18 issues with power restoration? Did you have an issue
19 with your power going out during the storms?

20 **A** Not for terribly long.

21 **Q** Okay. So would you say they did fairly good in power
22 restoration efforts?

23 **A** All I know is that my power returned within a few days.

24 **MS. EDWARDS:** Thank you.

25 **CHAIRMAN RANDALL:** Thank you.

Commissioners?

[No response]

Thank you, ma'am. Appreciate you being here.

[WHEREUPON, the witness was excused.]

MR. BOCKMAN: At this point, we have Curtis Harrison, Charles McElveen, and Mary Pough, or possibly Pough? Curtis Harrison, Charles McElveen, and Mary Pough.

[No response]

If none of those three names are in the room, we'll move on. That's Curtis Harrison, Charles McElveen, and Mary P-o-u-g-h. Pough? All right, excellent.

[Witness affirmed]

THEREUPON came,

M A R Y P O U G H ,
who, having been first duly affirmed, testified as follows:

WITNESS: Mary Pough. I live at 126 Limit Street, Darlington, South Carolina 29532.

I don't know what to say. But, I've got my light bill with me, and it went up on me, and everything. Y'all want to see it?

VICE CHAIRMAN WILLIAMS: I would like to see it, Ms. Pough.

WITNESS: You?

1 **VICE CHAIRMAN WILLIAMS:** I would like to see
2 it. I think we all would like to see it.

3 **WITNESS:** It's right here [indicating]. I
4 paid \$58 and more. Might not be this bill here
5 they went up on it. I want to know why they did
6 it.

7 **COMMISSIONER BELSER:** Ms. Pough, can you say
8 into that microphone what you just told him? Would
9 you repeat that?

10 **WITNESS:** I said I paid my light bill in
11 March.

12 **COMMISSIONER BELSER:** In March.

13 **WITNESS:** And then I got this – in this month,
14 they went up on me.

15 **COMMISSIONER BELSER:** Okay.

16 **CHAIRMAN RANDALL:** You want to give that to us
17 to enter into the record?

18 **VOICE:** Yeah.

19 **WITNESS:** Yes.

20 **COMMISSIONER BELSER:** Mr. Chairman, she's
21 probably going to need that slip. We might need to
22 take a picture of it and enter the picture.

23 **COURT REPORTER:** I can get it back to her.
24 I'll make arrangements.

25 **CHAIRMAN RANDALL:** Okay. Then we'll enter it

1 as Hearing Exhibit No. 7, and we'll get a picture
2 of that and get it back to you.

3 Okay. Any questions for Ms. Pough?

4 **COMMISSIONER HAMILTON:** I'd just like to thank
5 Ms. Pough for coming. I know it took a lot, a
6 brave person to do this. We're proud of you.

7 **WITNESS:** Thank you.

8 **CHAIRMAN RANDALL:** Go ahead, Ms. Edwards.

9 **MS. EDWARDS:** I don't have any questions, but
10 I was going to offer that our – we have Consumer
11 Services. The company has people here, as well,
12 but we do have Consumer Services here. They'd be
13 happy to look into the matter for you.

14 **WITNESS:** But I need that back.

15 **MS. EDWARDS:** You'll need that back, I know.
16 She's going to get it back to you.

17 [Applause]

18 **CHAIRMAN RANDALL:** Thank you, Ms. Pough.

19 Yes, ma'am.

20 **MS. SMITH:** Ms. Pough, we also have folks who
21 have the ability to look up your account here, this
22 evening, and who can also speak with you. We
23 encourage you to talk to the ORS and us, but this
24 gentleman in the white shirt, his name is Mr.
25 Preston, and he can have somebody look up your

1 account and talk to you. Okay?

2 **WITNESS:** Okay.

3 **CHAIRMAN RANDALL:** Thank you, ma'am.

4 [WHEREUPON, the witness was excused.]

5 **MR. BOCKMAN:** Folks, we're going to keep
6 moving along with our next three names. That's Sam
7 Canipe, Penny Cothran, and Anthony Hall. Sam, if
8 you'll please step up to the podium? And Penny
9 Cothran and Anthony Hall, if y'all would be on
10 deck, please.

11 [Witness affirmed]

12 THEREUPON came,

13 **S A M C A N I P E ,**

14 who, having been first duly affirmed, testified as follows:

15 **WITNESS:** My name is Sam Canipe. I live in
16 Florence, South Carolina.

17 I grew up in North Carolina, under Duke
18 Energy. So I'm pretty familiar with some of Duke
19 Energy's policies and practices and how they are
20 with the community. And needless to say, it
21 usually wasn't very pleasant when you had to deal
22 with them. And it hasn't been very pleasant so far
23 in South Carolina either. I've seen more brownouts
24 and more spikes and surges at my house since they
25 took over than I saw in the previous years with

1 Progress Energy when I moved here in 2002. So the
2 quality of service hasn't really gone up.

3 But the thing that gripes me most is I looked
4 at reports from Reuters last year, where they were
5 talking about their profits exceeding expectations.
6 And I remember seeing a number of \$1.08 billion in
7 net revenue. Net revenue. But on the same side of
8 the fence or on the same token, they say they need
9 more money to cover for coal ash cleanup. And I
10 just want to make a point: If I do something
11 irresponsible and this fine officer over here
12 arrests me and charges me and I get hit with a
13 bunch of fines, I can't go to the man that pays my
14 salary and tell him I need more money to cover my
15 mistake, so that I'm not responsible for it. I got
16 a problem with that.

17 **VOICE:** That's right.

18 **WITNESS:** And everybody in this room should
19 have a problem with that –

20 [Applause]

21 – and you should have a problem with that.

22 Now the North Carolina Legislature will pass
23 any rate increase they ask for. That's a fact.
24 I've seen it happen time and time again. And I
25 just don't want to see the good people of South

1 Carolina fall prey to the same thing. It's not
2 about me; it's about protecting profit. So when I
3 see, "We've got better-than-expected profits," and
4 then they say, "We need money for this or that," I
5 don't want to hear it.

6 Now, I'm in a position – I upgraded my house,
7 added all the insulation.

8 **VOICE:** Me, too.

9 **WITNESS:** I changed to LED bulbs. The size of
10 my household has dropped in half. My bill is still
11 going up.

12 **VOICE:** That's right.

13 **WITNESS:** I get that nice report every month
14 that says, "This is what the average house in your
15 area gets. This is what an energy efficient home
16 is using. This is what your home is using." And
17 it's always the lowest, the absolute lowest.
18 Congratulations. But my bill is still going up.

19 **VOICE:** That's right. Amen.

20 **WITNESS:** And now you want more money from me?

21 **VOICE:** Amen.

22 **WITNESS:** Really? Most people can't afford
23 this. This is the State of South Carolina. This
24 ain't New York or California where you got
25 billionaires everywhere.

1 **VOICE:** That's right.

2 **WITNESS:** So, please, say no.

3 **VOICE:** Say no.

4 [Applause]

5 **CHAIRMAN RANDALL:** Any questions from the
6 parties?

7 [No response]

8 Commissioners, any questions?

9 [No response]

10 Thank you, sir.

11 **WITNESS:** Thank you, very much

12 [WHEREUPON, the witness was excused.]

13 **MR. BOCKMAN:** Penny Cothran, followed by
14 Anthony Hall. Penny Cothran, followed by Anthony
15 Hall.

16 [Witness affirmed]

17 THEREUPON came,

18 **A N T H O N Y H A L L ,**

19 who, having been first duly affirmed, testified as follows:

20 **WITNESS:** My name's Anthony Hall. I live in
21 Florence.

22 I'm standing here today on behalf of the folks
23 in Darlington who I represent as the President of
24 the NAACP there.

25 **VOICE:** All right.

1 **WITNESS:** The Leonard Street housing
2 development, most of those folks there are on fixed
3 income. Now if you can imagine Ms. Pough getting
4 \$300 a month, with a \$200 a month light bill. Most
5 of them probably average under \$1000, so it's safe
6 to say that most of them are probably living below
7 poverty level, and you want to add another \$200-
8 \$300 a year_[sic] to that?

9 It seems to me that, if we probably took a
10 look at – and it's probably been stated here
11 today – the stakeholders, the increases, the amount
12 of money that they are getting, you know, if you
13 need an increase or you need to have upgrades, it
14 seems like you should be able to take money from
15 them. Because they don't have it.

16 **VOICE:** Amen.

17 **VOICE:** That's right.

18 **VOICE:** Amen.

19 **WITNESS:** So I'd like for you to imagine, just
20 for one second – I mean, I don't know what you make
21 or what your income level's like. Just imagine for
22 one second that you got – at the end of the month,
23 you got \$700.

24 **VOICE:** That's right.

25 **VOICE:** Say it, yeah.

1 **WITNESS:** Wrap your mind around that, now.
2 You got \$700. And somebody comes and asks you –
3 and you've got to live on it, and somebody comes
4 and asks you to pay some more. And then you think
5 about it – like a lot of these folks here are
6 talking about being able to upgrade their houses
7 and making them energy-efficient. These people
8 can't do that, you know. Matter of fact, the
9 housing that we allow people to live in is
10 deplorable. You know, you should look at that.

11 We should – I hope – I hope we are moving
12 towards renewable energy. I hope we're moving
13 toward solar. I hope we're moving to wind.
14 Anything that we can do to help lower the cost.
15 But as far as trying to make money on the backs of
16 these folks, that just ain't right.

17 So I would ask and I would urge you that you
18 say no.

19 **VOICE:** That's right.

20 **WITNESS:** Find another way. Find some other
21 way to get that money. But these folks don't have
22 it. That's it.

23 [Applause]

24 **CHAIRMAN RANDALL:** Thank you, Mr. Hall.

25 Questions from the parties?

1 [No response]

2 Commissioners?

3 [No response]

4 Thank you, sir.

5 [WHEREUPON, the witness was excused.]

6 [Witness affirmed]

7 THEREUPON came,

8 P E N N Y D . C O T H R A N ,

9 who, having been first duly affirmed, testified as follows:

10 WITNESS: I'm Penny Delaney Cothran. I live
11 at 408 Reedy River Court, Lexington SC.

12 And I wanted to just testify today, if I may,
13 with some basic energy burden statistics, as they
14 relate to the residential customers here in the Pee
15 Dee area. And I also want to talk about
16 equity: equity between the black and white
17 communities in South Carolina, the rural and urban
18 communities, and those served by Duke Progress.

19 So, South Carolinians are overburdened by some
20 of the highest rates for electricity in the
21 country. And I'd like to cite a study by EIA,
22 which is the US Energy Information Administration
23 at the Department of Energy. This is a February
24 13, 2018, paper entitled "Electricity Prices are
25 Highest in Hawaii but Expenditures are Highest in

1 South Carolina."

2 So, Hawaii has the highest residential
3 electricity prices in the United States, but South
4 Carolina has the highest household – they spend
5 more per household than any other state. So what
6 that looks like is residential customers in four
7 states pay more per household for electricity, and
8 they're South Carolina, Alabama, Connecticut, and
9 Maryland. And South Carolina, the average
10 residential electricity customer spent \$1753 for
11 electricity in 2016. So, one year. Which is about
12 \$400 more than the US average, and almost twice as
13 much as the average customer in New Mexico, where
14 it is sweltering hot.

15 So, when we're talking about a rate increase
16 for Duke Power, the percentage fee or rate increase
17 that we're discussing today is not the sort of
18 price hike that you can weatherize your way out of,
19 retrofit your way out of, no matter how many light
20 bulbs are changed, how many windows are sealed, how
21 much insulation you add. These are catastrophic.

22 And I'd like to leave you just with one
23 question, as you ponder your decision today: Why
24 has Duke Progress, of all the service territories
25 and all the areas where it works and operates in

1 this country – why South Carolina? Why the Pee
2 Dee? Is it because they're 65 percent African-
3 American, in the Pee Dee region?

4 **VOICE:** Oh, that's real talk.

5 **WITNESS:** So, that's all I wanted to say
6 today.

7 [Applause]

8 **CHAIRMAN RANDALL:** Thank you.

9 Commissioners. Commissioner Howard.

10 **EXAMINATION**

11 **BY COMMISSIONER HOWARD:**

12 **Q** Could you tell us where you got that report, the –

13 **A** Yes, sir.

14 **Q** – report you said was from EIA?

15 **A** Yes. It's the EIA. It is a February 13, 2018, study
16 called –

17 **Q** That's it. That's all I need.

18 **A** – "Electricity Prices are Highest in Hawaii but
19 Expenditures are Highest in South Carolina." The EIA.

20 **CHAIRMAN RANDALL:** Thank you.

21 Any other questions, Commissioners.

22 [No response]

23 Thank you, Ms. Cothran. Appreciate it.

24 [WHEREUPON, the witness was excused.]

25 **MS. SMITH:** Sir? Sir?

1 **CHAIRMAN RANDALL:** Yes, ma'am.

2 **MS. SMITH:** I'm sorry to just slow us down,
3 just briefly, but there's been a couple of customer
4 bills that have been entered. And to the extent
5 that there's personally identifiable information,
6 such as account number or home address, we would
7 ask that that be protected, just out of security
8 concerns. We don't, you know, object to anything
9 being in the record, but wanted to address that,
10 please.

11 **CHAIRMAN RANDALL:** Thank you. We will do
12 that.

13 **MS. SMITH:** Thank you.

14 **MR. BOCKMAN:** Excellent. At this point, we
15 will have David Spears, followed by Lincoln
16 Privette, and Barbara Stinney. David Spears,
17 Lincoln Privette, and Barbara Stinney.

18 [Brief pause]

19 One more time, David Spears, Lincoln Privette,
20 and Barbara Stinney.

21 All right. We'll move on to Madie Robinson,
22 Maggie Glover, and Chief Pete Parr. That's Madie
23 Robinson, Maggie Glover, and Chief Pete Parr.

24 [Witness affirmed]

25 <

1 THEREUPON came,

2 M A D I E R O B I N S O N ,

3 who, having been first duly affirmed, testified as follows:

4 WITNESS: My name is – good evening. My name
5 is Madie Robinson. I live here in Florence, South
6 Carolina.

7 I'd like to put on the record that, when I
8 came in this afternoon, there were at least 70
9 people in the hallway or people leaving that came
10 with the intentions of testifying but didn't have –
11 with the facilities, did not allow such for them to
12 do so. So I would ask that the Commission
13 respectfully consider offering another hearing with
14 a suitable location, where persons would have the
15 opportunity to voice their concerns.

16 [Applause]

17 I'm Madie Robinson, as I said, and I am a
18 customer of Duke Energy, and I'm here to personally
19 oppose this increase. I also am the Director for a
20 nonprofit, Pee Dee Healthy Start, Incorporated,
21 that covers seven counties in this area:
22 Chesterfield, Darlington, Dillon, Florence,
23 Marlboro, Marion, and Williamsburg Counties.

24 Our population serves many of the persons that
25 have spoken earlier. They're on fixed income.

1 They have health issues. And it would be
2 devastating for them to try – it's hard enough for
3 them to try to make ends meet, as it is, and trying
4 to earn a living or make a living, trying to keep
5 their families together. And then many of them
6 struggle with whether they have to pay their light
7 bill or whether they get food or medicine.

8 And so I'm asking that you not grant this
9 increase that's being asked for, and look at
10 another way. I support many of the statements that
11 were said earlier and would be happy to answer any
12 questions. Thank you.

13 **CHAIRMAN RANDALL:** Thank you, Ms. Robinson.

14 Any questions from the parties?

15 **MS. EDWARDS:** No. Thank you for your
16 testimony.

17 **CHAIRMAN RANDALL:** Commissioners, any
18 questions?

19 [No response]

20 Thank you, ma'am.

21 **WITNESS:** Thank you.

22 [Applause]

23 [WHEREUPON, the witness was excused.]

24 **MR. BOCKMAN:** Maggie Glover? Chief –

25 **VOICE:** The last did not take up any of my

1 time?

2 **VOICE:** You can have mine.

3 [Laughter]

4 [Witness affirmed]

5 THEREUPON came,

6 **M A G G I E G L O V E R ,**

7 who, having been first duly affirmed, testified as follows:

8 **WITNESS:** Maggie Glover, 910 West Sumter
9 Street, Florence, South Carolina.

10 And as I was walking up, I want to ditto what
11 Ms. Madie Robinson has said. Ladies and gentlemen
12 of this Commission, I want you to know that more
13 people than are seated in here was in the hallway
14 today, desperately wanting to have an opportunity
15 to come in and speak with you, to share their
16 concerns. I watched little old ladies that came
17 here and had to leave because they couldn't stand
18 here in this hallway, and we kept sending messages
19 in to you, asking for your assistance, asking you
20 to at least move upstairs to the eleventh floor.
21 The courtroom would have allowed these people the
22 opportunity to speak with you. So I ask, in
23 conjunction with what Ms. Robinson has requested,
24 that you hold this community another hearing, so
25 that the people honestly get a chance to tell you

1 that.

2 Okay. Now, to why I am actually here. Duke
3 Energy, as of the merger with Progress Energy, is
4 now the largest energy corporation in the United
5 States. You state, in writing, "Honoring our past
6 as we transform the future. Today, Duke Energy is
7 dedicated to providing clean, reliable, and
8 affordable energy in seven states in the Southeast
9 and Midwest. We are an industry leader in
10 sustainable innovations, powering solutions to help
11 our customers and our communities thrive and grow,
12 because energy is about more than keeping the
13 lights on." That's what Duke Energy put in
14 writing.

15 I am here tonight asking you to be men and
16 women of your word. You said –

17 [3-minute signal]

18 – and as these people have explained to you,
19 that this is more than keeping the lights on. We
20 want you to honor what you have said. All of these
21 people are here because we cannot afford this rate
22 increase.

23 Personally, I am here with my own bill. In
24 December, December of this year, Duke Energy told
25 me I generated \$600 for the month of December. Six

1 hundred is what they said my bill was. How do I
2 know that? Now, I am a senior citizen on a fixed
3 income – like every other person who has spoken in
4 here tonight – and the way I budget it, my electric
5 bill gets \$300 a month, because that's what I can
6 afford. Yet, my bill for January, because of the
7 \$300 that I carried over from November, my electric
8 bill was \$1013.15 cents. Why on earth?

9 **CHAIRMAN RANDALL:** You want to enter that as a
10 hearing exhibit?

11 **VOICE:** Yes.

12 **WITNESS:** If you can take a picture and hand
13 them right back to me –

14 **VOICE:** That's right.

15 **WITNESS:** – because I have been in contact
16 with them, when I got the bill, and they came out
17 and went through the entire house. Like everybody
18 else has said. I have a set – the – 68 is as high
19 as it has ever been. And I have done everything –

20 **VOICE:** That's right.

21 **WITNESS:** – that they said to do, to bring the
22 bill down. And yet, in December, it was as if I
23 paid lights, Christmas lights, Christmas trees for
24 everybody in my neighborhood. And my neighborhood
25 is a place with – the average age in my block is

1 87.3 months_[sic] old.

2 **CHAIRMAN RANDALL:** Thank you, Ms. Glover.

3 **WITNESS:** And all of them have bills like
4 this. We cannot.

5 **CHAIRMAN RANDALL:** I understand. I need to
6 see if anybody has questions for you.

7 Anybody?

8 [No response]

9 Commissioners?

10 **VICE CHAIRMAN WILLIAMS:** Mr. Chairman, a few
11 quick questions, and something the Commission, I
12 would suggest, needs to consider.

13 I don't want to speak out of place here. I
14 represent District 6, but I'm also a voting member
15 of this Commission. And I've heard two citizens
16 say that there were many more citizens who wanted
17 the opportunity to be heard, but our arrangements
18 here this evening did not afford them that
19 opportunity.

20 **WITNESS:** Did not.

21 **VOICE:** That's correct. You're correct.

22 **WITNESS:** You are correct.

23 **VICE CHAIRMAN WILLIAMS:** Mr. Chairman, I don't
24 know what the appropriate procedure or process is,
25 for looking into that. I'm not sure whether or not

1 the schedule will allow for another meeting. I'm
2 not sure what we can do, but it's definitely
3 something that we – that I don't take lightly.

4 **WITNESS:** Thank you.

5 **VICE CHAIRMAN WILLIAMS:** Especially
6 considering that we want public participation. And
7 if we want public participation, we need to make
8 sure that we can accommodate –

9 **VOICE:** Accommodate the public.

10 **VICE CHAIRMAN WILLIAMS:** – appropriately the
11 participants. So I appreciate the commentary on
12 that.

13 **EXAMINATION**

14 **BY VICE CHAIRMAN WILLIAMS:**

15 **Q** Regarding the usage, you may be or may not be surprised
16 to know that, in our public hearings, there's been a lot
17 of testimony about usage, and there's been a lot of
18 testimony about the age of homes, the make of homes,
19 whether or not those homes can be weatherized, whether
20 or not there's anything that could be done to improve
21 the energy efficiency of those homes. And if I'm
22 understanding you correctly, the age of – the average
23 age of the homes on your block, did you say 87 –

24 **A** The age of the people –

25 **Q** Oh, the people.

1 **A** – in my block is 87.3 months_[sic] old.

2 **Q** Would you mind if I asked you a few questions about your
3 home?

4 **A** Sure.

5 **Q** What was the result of the report that Duke generated
6 for you, regarding your usage?

7 **A** The only thing that Duke could come up with – and this
8 was in January – was the fact that, maybe, if they
9 turned the temperature down on my hot water heater or if
10 I replaced the hot water heater, that that might make a
11 difference, because I went through that, you know, the
12 usual thing where you stand at the meter and you cut off
13 every – you do every breaker? That's how they
14 instructed me to do this with them. And that was what
15 they came up with. But even the gentleman who did this
16 with me, from Duke, I guess, stated that he couldn't see
17 how that would still generate a \$600 one-month bill.

18 **Q** You know this already. You've heard before there are
19 people here from Duke. And from what I've seen, they've
20 been very responsive to customer complaints. I would
21 genuinely ask that you speak with them tonight, and also
22 the Office of Regulatory Staff. Because one thing is
23 definitely true: If you do not follow up on these
24 issues, there's nothing that can be done about it. So I
25 would ask that you maintain your resolve.

1 **A** Thank you. Thank you. Thank you so very much.

2 **CHAIRMAN RANDALL:** Thank you.

3 Other – hang on, Ms. Glover. Any other
4 Commissioner questions?

5 [No response]

6 We're going to put your bill in as Hearing
7 Exhibit No. 8, too.

8 **WITNESS:** All right.

9 **CHAIRMAN RANDALL:** Thank you, very much.

10 **WITNESS:** Thank you.

11 [WHEREUPON, the witness was excused.]

12 **MR. BOCKMAN:** Chief Pete Parr? Chief Pete
13 Parr, if you're in attendance?

14 [Witness affirmed]

15 THEREUPON came,

16 **C H I E F P E T E P A R R ,**

17 who, having been first duly affirmed, testified as follows:

18 **WITNESS:** I'm Chief Pete Parr, the Pee Dee
19 Indian Tribe in the six counties around about here.
20 I have no statistics –

21 **CHAIRMAN RANDALL:** Hang on, Mr. Parr. If
22 you'll repeat your name for the court reporter
23 and –

24 **WITNESS:** I'm nervous. –

25 **CHAIRMAN RANDALL:** – get close to the

1 microphone. That's all right.

2 **WITNESS:** I'm Chief of the Tribes in South
3 Carolina here, in these six counties. Our Tribe is
4 called Pee Dee Indian Tribes; we're State
5 recognized.

6 Our people are living on fixed incomes, low
7 incomes, and no incomes.

8 **VOICE:** You got that right.

9 **WITNESS:** I'm not a customer of Duke. I have
10 no statistics of what is and what ain't. But I
11 know our people cannot afford another electric
12 hike. We can't pay what we're doing now.

13 There's members of our Tribe are suffering,
14 whether it's to buy medicine or pay electric bills,
15 stay cool or stay warm. It's – that's how bad it
16 is. And now I understand you're talking about
17 raising the electric bill higher. Think. We have
18 to take care of each other here, and we're not
19 doing this if we're doing what I hear. The
20 evidence here today is very bad for Duke. We need
21 to take care of our people. Let us pay the bills,
22 but pay a decent bill. Help us. Help us to
23 generate our houses. We have houses that are 40
24 and 50 and 60 years old; they need repairs. My
25 people cannot afford it.

1 So help us to do what is right, and then maybe
2 somehow we can up the payments. But like this lady
3 here, how do you generate \$1000 electric bill in a
4 month? I just talked to a member of the Tribe;
5 he's on Duke, and his electric bill is \$453. The
6 man had a major stroke, ain't getting no help. His
7 wife is on disability; very low income. How can
8 they put forward to pay these kind of bills?

9 **VOICE:** That's right.

10 **VOICE:** That's right, Chief.

11 **WITNESS:** I thank y'all very much. I
12 appreciate each and every one here, because this is
13 a lot of your time taken out. Thank you.

14 [Applause]

15 **CHAIRMAN RANDALL:** Thank you, Chief. Hang on,
16 let me see if we've got any questions from the
17 parties.

18 **MS. EDWARDS:** No. Thank you for your
19 testimony.

20 **CHAIRMAN RANDALL:** Commissioners, any
21 questions?

22 **COMMISSIONER ERVIN:** Chief? Chief?

23 **WITNESS:** Oh.

24 **COMMISSIONER ERVIN:** Sorry.

25 **CHAIRMAN RANDALL:** Commissioner Ervin.

1 **WITNESS:** I'm hard of hearing.

2 **EXAMINATION**

3 **BY COMMISSIONER ERVIN:**

4 **Q** I didn't hear the name of your Tribe.

5 **A** Pee Dee Indian Tribe.

6 **Q** Pee Dee Indian Tribe.

7 **VOICE:** South Carolina.

8 **COMMISSIONER ERVIN:** Okay.

9 **VOICE:** In South Carolina.

10 **WITNESS:** And we're in the six counties around
11 about us –

12 **COMMISSIONER ERVIN:** Yes, sir.

13 **WITNESS:** – Marlboro, Darlington, Florence,
14 Chesterfield, Marion, and Dillon. And we go
15 outside of that, too.

16 **COMMISSIONER ERVIN:** We appreciate you coming
17 tonight and sharing with us.

18 **WITNESS:** Well, I thank y'all for having this.
19 This is an opportunity. We all need to be doing
20 this. Everybody.

21 **VOICE:** Yeah.

22 **WITNESS:** We need to make ourself be here when
23 they have these meetings.

24 **VOICE:** That's right.

25 **WITNESS:** It was rough. We've been here since

1 6 o'clock – or, quarter till six – standing in the
2 hallways. But we don't tell you guys what's going
3 on, y'all might not know no different.

4 **VOICE:** Oh, they know.

5 **CHAIRMAN RANDALL:** Thank you, Chief.

6 **WITNESS:** Thank you.

7 **CHAIRMAN RANDALL:** Appreciate it.

8 [WHEREUPON, the witness was excused.]

9 Tell you what, we're going to take a 10-minute
10 break for our court reporter. She has to say every
11 word that's said in here, so she has to talk a lot,
12 so we're going to take about 10 minutes.

13 [WHEREUPON, a recess was taken from 8:52
14 to 9:00 p.m.]

15 **CHAIRMAN RANDALL:** We'll call the hearing back
16 to order. Mr. Bockman, if you'll read the next
17 witnesses.

18 **MR. BOCKMAN:** Absolutely. The next witnesses
19 are Anthony Grate, Johnny McKay, and Barbara Lee.
20 Anthony Grate, Johnny McKay, and Barbara Lee, if
21 you'll please come to the podium to speak your
22 testimony? Thank you.

23 [No response]

24 One more time, that's Anthony Grate, Johnny
25 McKay, and Barbara Lee.

1 **VOICE:** Maybe they're in the hall.

2 **MR. BOCKMAN:** Okay. All right. Y'all forgive
3 me if I yell these out so they can hear me in the
4 hall. Anthony Grate, Johnny McKay, and Barbara
5 Lee.

6 [No response]

7 All right. We'll move on temporarily to
8 Daphne Carter-McCants, Blandon Turbeville, and
9 Diamond Cain. Daphne Carter-McCants, Blandon
10 Turbeville, and Diamond Cain.

11 [No response]

12 **CHAIRMAN RANDALL:** Move everybody in – ask
13 everybody to come into the room, if they want. We
14 got plenty of seats.

15 **VOICE:** Now.

16 **MR. BOCKMAN:** Do we have Will Carsten or Brian
17 McClam? Will Carsten or Brian McClam.

18 [Witness affirmed]

19 THEREUPON came,

20 **W I L L C A R S T E N ,**

21 who, having been first duly affirmed, testified as follows:

22 **WITNESS:** I'm Will Carsten, and I'm from
23 Cades.

24 And I'm not exactly sure if this is the proper
25 forum, or not, to express my grievance, but I hear

1 a bunch from the Commission interested in customer
2 service, and my grievance is more of a customer-
3 service complaint. Although most of my meters are
4 with the co-op, I do have a couple with Duke.

5 But I have a big transmission line that runs
6 through the family property, and I've been going
7 around and around, about a year, with Duke on this
8 thing. They actually just recently cut – actually,
9 destroyed about \$7000 worth of my timber that I've
10 got. No compensation for it, and would not work
11 with me in any way. I offered them three different
12 proposals, and they wouldn't comply with any of
13 them.

14 I reckon, basically, what I'm saying is they
15 do what they want to and they don't think they have
16 to answer to anybody. I asked them, if they would,
17 to just cut the trees down; I'd get somebody to
18 haul them out. But they said, no, they had to make
19 them line-safe, had to cut them off at 30 feet,
20 which just destroyed the merchantability of them.
21 Which I'm also a registered forester and a farmer.
22 And we cut beside transmission lines every day, so
23 I know it can be done.

24 I asked them, I said, "I tell you what. How
25 about if y'all pay me what y'all are going to pay

1 the fellows to top them, and I'll get one of my –
2 that'll incentivize a crew enough to get them in
3 there to cut the trees, and I'll haul them out."

4 "No, we don't pay somebody to do work on their own
5 property." I said, "Okay." I said, "I tell you
6 what, how about just pay me for the trees that are
7 on my property?" "No, we don't pay for danger
8 trees, either."

9 Well, I also have another transmission line
10 from Santee Cooper. They came through about 10
11 years ago, cutting danger trees. You know what
12 they did? They cut the trees down, they skidded
13 them to the end of my property and piled them up,
14 so all I had to do was get somebody to come and
15 haul them off.

16 Just kind of wanted to let y'all know what
17 I've been dealing with on that end.

18 Any questions?

19 **CHAIRMAN RANDALL:** Thank you.

20 Questions from the parties?

21 **CROSS EXAMINATION**

22 **BY MS. EDWARDS:**

23 **Q** Thank you, Mr. Carsten. So, when did this occur, the
24 issue with the transmission line?

25 **A** They cut those trees in about the fall. It started last

1 summer.

2 Q Okay. So –

3 A Last spring.

4 Q – 2018?

5 A 2018. 2018.

6 Q 2018?

7 A I've, since, actually harvested the stand. They did
8 give me one option. They did give me one option. If I
9 could enter under a contract with a timber company where
10 the stand was going to be cut, they would leave it. But
11 I wasn't going to cut the thing – I mean, you have to
12 pick the right time to sell your stuff.

13 Q And so, basically, in 2018, you lost about \$7000 worth
14 of timber? Is that –

15 A Correct.

16 Q – pretty much the –

17 A Correct.

18 Q Okay. And is this – you said this transmission line – I
19 guess this is your family property, but the transmission
20 line – these are trees that were within the easement of
21 the transmission line?

22 A Not within the easement. They were outside the
23 easement, but they were considered danger trees. And
24 their "danger tree" definition is way more than what it
25 ought to be.

1 **Q** Okay, so wait a minute. It was outside the easement and
2 on your property?

3 **A** Yes, sir.

4 **MS. EDWARDS:** Thank you.

5 **CHAIRMAN RANDALL:** Thank you.

6 Any other questions, Commissioners?

7 Commissioner Ervin.

8 **EXAMINATION**

9 **BY COMMISSIONER ERVIN:**

10 **Q** How does the utility define a "danger tree," to your
11 understanding?

12 **A** Their definition is, if you go to the outside conductor,
13 stand directly under the outside conductor, take the
14 total height of the tree and add 10 or 20 – I
15 apologize – 10 or 20 feet to that, which is really way
16 over the top, because the conductor's up there at 80
17 feet. Well, 80 – if you stand directly under there, an
18 80-foot tree will never come close to that conductor,
19 because it's falling at an arc. But they wouldn't work
20 with me on that, either.

21 **Q** Did you get legal representation?

22 **A** I threatened legal representation, but, I mean, they got
23 way deeper pockets than I do. What was the use, you
24 know? Six thousand dollars is a lot of money to me, but
25 it doesn't go very far when you start litigation. And,

1 I mean, they know that. They know that.

2 **CHAIRMAN RANDALL:** Commissioner Williams.

3 **VICE CHAIRMAN WILLIAMS:** Quick question, Mr.
4 Chairman.

5 **EXAMINATION**

6 **BY VICE CHAIRMAN WILLIAMS:**

7 **Q** Now, you say you're a forester, right?

8 **A** I'm a farmer and a forester, yes, sir.

9 **Q** I just wanted to make – I don't know anything about
10 danger trees, so I would like for you to educate me.
11 When you say that Duke defines "danger trees" one way,
12 is there another definition, or is that a standard
13 definition, or is that defined by the State?

14 **A** It was in – it's defined in the contract. And they told
15 me that all this was negotiated when the contract was
16 signed 60 years ago, or whatever it was. And I beg to
17 differ. Very little negotiation goes on in those – at
18 those times, you know? You either sign it, or it's
19 condemned. One or the other.

20 **Q** Well, I would just ask, sir – I appreciate you sharing
21 your story. If you didn't share it, we wouldn't know
22 about it. But if you would go a little bit further and
23 speak with the Office of Regulatory Staff and maybe
24 provide them documentation to support your allegations,
25 it may or may not work out for you.

1 A Well, I appreciate it.

2 COMMISSIONER WHITFIELD: Mr. Chairman.

3 CHAIRMAN RANDALL: Commissioner Whitfield.

4 COMMISSIONER WHITFIELD: Thank you.

5 EXAMINATION

6 BY COMMISSIONER WHITFIELD:

7 Q Mr. Carsten, I know you said you were a forester and a
8 farmer, and you may not know the answer to this
9 question. Do you know if that's a big 230 kV line or
10 what size transmission line that is? It may impact some
11 of the –

12 A Yeah.

13 Q – easement requirements.

14 A I'm not sure. It's double-poles and three large lines.

15 Q Okay. As long as you've known it, or your family, this
16 easement, of course, has been recorded for a long, long
17 time; it's not some type of anything in recent years
18 that's been upgraded or anything like that?

19 A No, it has not. It has not. But when they did the
20 easement – or when they bought the easement, they
21 actually have the right to put – I think it's a 100-foot
22 easement that they have, and they had the right to put
23 conductors all the way out to that edge of that 100
24 foot, and that means they can come and cut danger trees
25 an additional 80 feet on each side of that, if your

1 trees are 75 feet tall.

2 **Q** I'm also like Commissioner Williams; I would encourage
3 you to talk with the Office of Regulatory Staff, because
4 they can advise you on that. There are certain
5 requirements with certain transmission lines.

6 **A** And I realize y'all don't really have a say in the
7 transmission right-of-way policies, but I did want to
8 bring that to your all's attention as to kind of how –
9 how they've been treating some of the folks.

10 **Q** Well, we do site transmission lines, but we can't help
11 you with consumer complaints. That would be the Office
12 of Regulatory Staff.

13 **A** Right. And they still – and they still – when they need
14 something, they're ringing my phone off. If they want
15 to come cut a tree, they want to talk to me. And they
16 promise me the world. All I want to do now is just
17 figure out what kind of access to give them. But
18 they'll send me nobody. They'll send me nobody. Until
19 they need something, and then they'll promise me, "Oh,
20 yeah, somebody's coming next week. Somebody's coming
21 next week." And I should've been keeping – I should've
22 been documenting all of it, but I spoke to numerous
23 people, probably five or six different people, and I
24 should've been taking names and numbers. But I will
25 from here on out.

1 **CHAIRMAN RANDALL:** Thank you, Mr. Carsten.

2 Any other questions for Mr. Carsten?

3 **EXAMINATION**

4 **BY COMMISSIONER BELSER:**

5 **Q** Mr. Carsten, just briefly, you mentioned the contract.

6 You're talking about the easement?

7 **A** The easement, yes, ma'am. Excuse me.

8 **Q** Just wanted to be clear. Thank you.

9 **A** Yes, ma'am.

10 **CHAIRMAN RANDALL:** Any other questions?

11 [No response]

12 Thank you, very much. Appreciate you being
13 here.

14 **WITNESS:** Thank y'all.

15 [WHEREUPON, the witness was excused.]

16 **MR. BOCKMAN:** Since there have been some
17 fluctuations in attendance in the room, I'm going
18 to read these last half a dozen names very quickly.
19 If you hear your name called, please do approach
20 the podium.

21 Anthony Grate, Johnny McKay, Barbara Lee,
22 Bandon Turbeville, Diamond Cain, or Brian McClam.

23 [Witness affirmed]

24 <

25 <

1 THEREUPON came,

2 **B R I A N M c C L A M ,**

3 who, having been first duly affirmed, testified as follows:

4 **WITNESS:** I'm Brian McClam. I'm a row-crop
5 farmer from Williamsburg County. I also represent
6 Tri-County Cotton Gin, which is in the Salters
7 Community in Williamsburg County.

8 My farmer friends have done a good job
9 representing the farmers tonight, so I'm going to
10 represent the cotton-ginners of the Pee Dee.

11 Between my farm and our gin, I represent 10
12 meters, three of which are at our cotton gin. When
13 our cotton gin is in operation, our light bill can
14 range from \$60,000-\$75,000 a month. So with a rate
15 increase that is proposed here, this could mean
16 about \$30,000 annually, additional, that we will
17 have to pay. This just does not work at this time.
18 And we're here fighting hurricanes and floods and
19 trying to get over that. Cotton gins only gin
20 cotton; they cannot transition and do other things.

21 So, please, please, vote this down. Thank
22 you.

23 **CHAIRMAN RANDALL:** Thank you, Mr. McClam.

24 Questions from the parties?

25 [No response]

Commissioners, any questions? Commissioner
Ervin?

EXAMINATION

BY COMMISSIONER ERVIN:

Q Don't you have any cotton gin rate? Is that still a
part of the –

A We do, and I apologize. We have met with Duke Energy in
the past and they did reduce it, only when we weren't in
operation – I guess it's a seasonal rate. But it's
still somewhere around \$400-\$600 a month, whether we cut
it on or not.

Q Because Commissioner Belser and I have checked today; we
were anticipating there might be questions about some of
this. And I think we found there was still a cotton-gin
rate on the books for Progress Energy. So what I would
suggest you do – have you got copies of your bills?

A Yes, sir.

Q Seasonal bills?

A Well, I do not have them with me. I'm sorry.

Q I understand. But if you'll get this lady's contact
information [indicating], it might be that we can look
at that and see if, you know, some adjustments could be
made. We can't make any commitments; you know that.
But at least give her a chance to look into it, and see
what can be done.

1 **A** Thank you, so much.

2 **CHAIRMAN RANDALL:** Any other questions?

3 [No response]

4 Thank you, Mr. McClam.

5 **WITNESS:** Thank you.

6 [WHEREUPON, the witness was excused.]

7 **CHAIRMAN RANDALL:** Okay, we've reached the end
8 of everyone who signed up to speak. We appreciate
9 everybody coming out tonight, and we are adjourned.
10 Thank you.

11 [WHEREUPON, at 9:14 p.m., the hearing in
12 the above-entitled matter was adjourned.]

13 _____
14 [WHEREUPON, Hearing Exhibit 5 was marked
15 and received in evidence.]

16 [WHEREUPON, Hearing Exhibit 7 was marked
17 and received in evidence.]

18 [WHEREUPON, Hearing Exhibit 8 was marked
19 and received in evidence.]

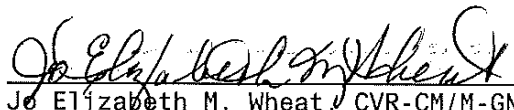
20 _____
21 [WHEREUPON, Hearing Exhibit No. 2 was
22 marked and received in evidence upon
23 receipt from the Office of Regulatory
24 Staff: April 8, 2019.]
25 _____

C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, Notary Public in and for the State of South Carolina, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had and testimony adduced in a public night hearing held in the above-captioned matter before the PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA;

That the witnesses appearing during said hearing were affirmed to state the truth, the whole truth, and nothing but the truth;

IN WITNESS WHEREOF, I have hereunto set my hand and seal, on this the 30th day of January, 2020.


Jo Elizabeth M. Wheat, CVR-CM/M-GNSC
Hearings Reporter, PSC/SC
My Commission Expires: January 27, 2021.